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## *Commonwealth of Massachusetts Information Technology Division*

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## *Legislative Briefing for House and Senate Committees on Science and Technology*

*Sixth Briefing*

*July 13, 1999*

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THE UNIVERSITY OF CHICAGO  
DEPARTMENT OF CHEMISTRY  
RESEARCH REPORT NO. 1000  
1960

The following report was prepared by the members of the Department of Chemistry, University of Chicago, during the period from January 1, 1960, to December 31, 1960. It contains a summary of the work done in the Department during this period, and a list of the publications of the members of the Department during this period.

The work done in the Department during this period was divided into three main areas: (1) the study of the properties of the elements of the periodic table, (2) the study of the properties of the compounds of the elements of the periodic table, and (3) the study of the properties of the compounds of the elements of the periodic table. The work done in the Department during this period was divided into three main areas: (1) the study of the properties of the elements of the periodic table, (2) the study of the properties of the compounds of the elements of the periodic table, and (3) the study of the properties of the compounds of the elements of the periodic table.

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**Testimony of Secretary Andrew S. Natsios  
Executive Office of Administration and Finance  
Before the Joint Legislative Committee on Science and Technology  
July 13, 1999**

Thank you very much Chairwoman Harkins and Chairman Magnani for the opportunity to testify before you and the members of the Committee on Science and Technology. I am pleased to report that since I last testified before this Committee on April 27, the Commonwealth has made significant progress in our efforts to address the Y2K compliance of the state's computer systems. At this time, we remain confident that the Commonwealth will be fully prepared for the arrival of Year 2000.

In December 1998, Governor Cellucci signed Executive Order 408, which outlined the Commonwealth's commitment to and strategy for dealing with the Y2K issue. At the time that this Executive Order was issued, only 43% of our mission critical systems were compliant. When I took office in March, that number had advanced to 51% and today, I am pleased to report that more than 91% of our mission critical and more than 94% of our essential system have been tested and deemed Y2K compliant. The remaining small percentage of agencies with systems with unresolved Y2K issues have been required to devise detailed contingency plans in the event of Y2K failure. While the Administration is prepared to deal with lagging agencies through disciplinary measures, the fact that we are now in a temporary budget offsets any potential sanctions, such as hiring freezes or spending constraints. Until we have a signed fiscal year 2000 budget, agencies will be under strict personnel and spending limits. After passage of the budget, we will impose sanctions against those agencies that are still non-compliant.

The recent turning of the Commonwealth's fiscal year on July 1 was a good test of our system-wide compliance. Thanks to our preparedness level, only two systems had minor disturbances, and were returned to full operation within a matter of minutes. This is the best indication thus far that we are prepared for the new millennium.

The Public Safety agencies have made significant progress since I last testified, mainly due to Secretary Jane Perlov and her staff making this a Secretariat-wide priority. Each agency with a completion date past June 30 reallocated resources and shifted projects to complete Y2K remediation in accordance with the Governor's executive order. As a result of this effort, of 39 Mission Critical systems, 35 are now compliant and all of the 27 essential systems are now compliant.

This progress is evident in the Department of Corrections, which originally anticipated completing their effort in December 1999. A coordinating team within DOC worked to shift priorities and move up schedules whenever possible. The team worked to identify problem systems, which will be remediated or replaced by September 30, 1999.

The 16 agencies of the Executive Office of Health and Human Services have also overcome significant obstacles and challenges preparing for Y2K. Of the 95 mission critical applications within EOHHS, 94 have been remediated and the last remaining one will be done before the end of this month. All 45 of the potentially vulnerable essential applications have been fixed.





The Department of Telecommunications and Energy has been aggressively monitoring the Y2K status of the state's electric, gas, water, and telecommunications utilities since early 1998. The Department has been evaluating the Y2K activities of the utilities and will continue this aggressive posture to ensure reliable, uninterrupted service to consumers throughout the Commonwealth. The Department and ITD have been assured that there will not be any significant interruptions as a result of Y2K issues. The information that has been received to date supports this conclusion.

In past testimony, I have described the yeoman-like Y2K outreach efforts of the Division of Local Services within the Department of Revenue. Another important outreach effort has been conducted by the Massachusetts Emergency Management Agency (MEMA). MEMA is now conducting "face-to-face" outreach visits with public officials throughout the Commonwealth. The purpose is to reassure local officials and the public that remediation efforts appear to have worked, and that any potential disruptions will be minor and isolated. At this point, the greatest risk is not that our systems will shut down or that the sky will fall, but that there will be an overreaction by the public. The Administration is planning a series of public outreach initiatives this fall to quell any public anxiety over the Y2K issue.

MEMA has completed a review of 146 city and town Comprehensive Emergency Management Plans (CEMP) and provided information and material for the communities to use. During these reviews, MEMA conducted table-top exercises based upon the CEMP. All 351 city and town plans will be reviewed by August 15, 1999.

While we are confident that our systems are virtually Y2K proof, we are currently undergoing a stringent independent audit of our mission critical systems, known as Independent Verification and Validation (IV&V). This process will provide another set of expert eyes to recheck the work we have done thus far.

I would like to take this opportunity to thank the Committee and the entire Legislature for their ongoing financial support of our Y2K efforts. By the time our efforts are complete, we expect to spend up to \$103 million in Y2K remediation. We believe that this is money well spent and will save the Commonwealth from more exorbitant costs if we had not taken these extensive precautionary measures.

As always, we will keep you updated on the Y2K status of the Commonwealth. Thank you.





# Notes

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# Y2K PMO Interview Results for Period Ending June 30, 1999

By

Commonwealth of Massachusetts  
Year 2000 Program Management Office  
July 13, 1999

## 1 Background

In June 1997, ITD's Strategic Planning Group (SPG) established the Year 2000 Program Management Office (Y2K PMO) to coordinate the Commonwealth's Year 2000 effort. The purpose of the Y2K PMO is to:

- Ensure accurate monitoring of the Commonwealth's progress in meeting the Year 2000 challenge;
- Identify risk areas and risk mitigation activities;
- Disseminate lessons learned to state agencies; and,
- Serve as a Year 2000 resource to state agencies and departments in the three government branches.

Executive Order #408, issued on December 14, 1998, requires that the head of each state agency shall appoint a senior official to oversee and coordinate the Year 2000 compliance and contingency planning activities of each agency under their supervision.

The PMO uses an interview process to monitor the status of the Year 2000 projects being performed by the agencies in the Commonwealth. This interview process includes a determination of the approach being used by an agency to identify its exposure to the Year 2000 problem and to achieve Year 2000 compliance. The PMO monitored agencies on a quarterly cycle through December 1998, when a monthly tracking and reporting approach was adopted.

In addition, agencies are asked to identify their **mission critical** and **essential** systems and to provide information on the strategy for and progress in making these systems compliant.

**Mission critical** systems are those:

- Which directly impact the health, safety, or livelihood of Commonwealth citizens,
- Which directly impact revenue to the state, or
- Whose loss would severely jeopardize agency delivery of services.

**Essential** systems are those whose loss would cause a disruption of some agency services but the agency could still deliver primary services.

Most agencies also have a third category of systems, "other required", which affect workflow in the agency but whose loss would not significantly impair delivery of services. Agencies are expected to include all systems in their Year 2000 projects, but the PMO is only monitoring the status of mission critical and essential systems.

This report compiles information obtained as of June 30, 1999 to provide updated information on all agencies regarding achieving compliance in accordance with the Executive Order's target date of June 30, 1999 for completion of all remediation work.

The following definitions of Schedule Status are applied in the PMO reports:

| Agency Schedule Status | Definition  |
|------------------------|---|
| Green                  | Has completed all work in the areas reported                              |
| Red                    | Did not complete work by the Executive Order target date of June 30, 1999 |

To date, all agency reports show that they will be able to deliver uninterrupted essential services. It should be noted that remediation projects for 26 (9%) of the Commonwealth's 295 Mission Critical Systems are currently





scheduled for completion after June 30, 1999. Of the 26, 6 are scheduled to be complete in July, and 13 by the end of the first FY '00 quarter.

## **2 Summary of Current Agency Status**

### **2.1 Interviews**

The Y2K PMO is currently monitoring Year 2000 compliance efforts for 171 agencies in the Commonwealth. There were no changes from the prior period. The agencies are classified as shown in Table 1.

**Table 1. Agencies Interviewed for period ending June 30, 1999**

| <b>Agency Type</b>            | <b># of Agencies<br/>April 1999</b> | <b># of Agencies<br/>June 1999</b> |
|-------------------------------|-------------------------------------|------------------------------------|
| A&F                           | 22                                  | 22                                 |
| Constitutional Offices        | 6                                   | 6                                  |
| Consumer Affairs              | 10                                  | 10                                 |
| Economic Development          | 6                                   | 6                                  |
| Education                     | 1                                   | 1                                  |
| Elder Affairs                 | 1                                   | 1                                  |
| Environmental Affairs         | 7                                   | 7                                  |
| Executive Offices             | 3                                   | 3                                  |
| General Court                 | 4                                   | 4                                  |
| Health and Human Services     | 16                                  | 16                                 |
| Higher Education              | 32                                  | 32                                 |
| Housing                       | 1                                   | 1                                  |
| Independent Agencies          | 23                                  | 23                                 |
| Judiciary                     | 5                                   | 5                                  |
| Labor Development             | 9                                   | 9                                  |
| Public Safety                 | 21                                  | 21                                 |
| Transportation & Construction | 4                                   | 4                                  |
| Total                         | 171                                 | 171                                |

All agencies with any work remaining were interviewed. Interviewers conducted interviews by phone or in person.



## 2.2 Agency Schedule Status

Summary statistics for the agency Year 2000 projects are shown in Table 2. The reporting scheme for describing agency status is based on whether agencies will meet the deadline of June 30, 1999 as per the Governor's Executive Order. Five separate areas are considered when reporting status in Table 2. These are Mission Critical systems, Essential systems, PC's, LAN's, and telephone systems.

**Table 2. Agency Y2K Schedule Status Summary for Period Ending June 30, 1999**

| Summary                                | # of Agencies<br>April 1999 | # of Agencies<br>June 1999 |
|--|-----------------------------|----------------------------|
| Status                                 |                             |                            |
| Green                                  | 37                          | 113                        |
| Yellow                                 | 86                          | 0                          |
| Red                                    | 48                          | 58                         |
|  |                             |                            |
| Total Number of Agencies Being Tracked | 171                         | 171                        |

As of June 30, 1999, 113, or 66%, of the 171 agencies tracked by the PMO had completed all types of remediation work reported.

Much remediation work is scheduled to be performed this summer in order to take advantage of one or more of the following circumstances:

- in the case of colleges, the summer break which will allow upgrades to PC's and infrastructure without disruption of academic work
- the move of some agencies out of the Saltonstall building to new locations will afford cost-effective solutions for PC, LAN and telephone upgrades
- the availability of fiscal year 2000 operating funds earmarked for Year 2000 upgrades to infrastructure (PC's, LAN's and telephones)

The table below shows how the remaining activities are scheduled.

**Table 3. Compliance by Month – Agencies and Systems**

|           | Agencies | Systems |
|-----------|----------|---------|
| Prior     | 113      | 496     |
| July      | 23       | 12      |
| August    | 12       | 4       |
| September | 14       | 13      |
| Remainder | 9        | 11      |
| Total     | 171      | 536     |

## System Status

The 171 agencies that the PMO is tracking have reported 295 mission critical systems and 241 essential systems. Table 4 gives the PMO's assessment of the schedule status for these systems and indicates that 91% of Mission Critical Systems and 94% of Essential Systems met the Commonwealth's deadline of June 30, 1999.





Table 4. Summary of Schedule Status for Systems

|                      | Number Complete  |           |       |                      | Percent Complete |           |       |
|----------------------|------------------|-----------|-------|----------------------|------------------|-----------|-------|
|                      | Mission Critical | Essential | Total |                      | Mission Critical | Essential | Total |
| Compliant By 6/30    | 269              | 227       | 496   | Compliant By 6/30    | 91%              | 94%       | 93%   |
| Compliant After 6/30 | 26               | 14        | 40    | Compliant After 6/30 | 9%               | 6%        | 7%    |
| Total                | 295              | 241       | 536   | Total                | 100%             | 100%      | 100%  |

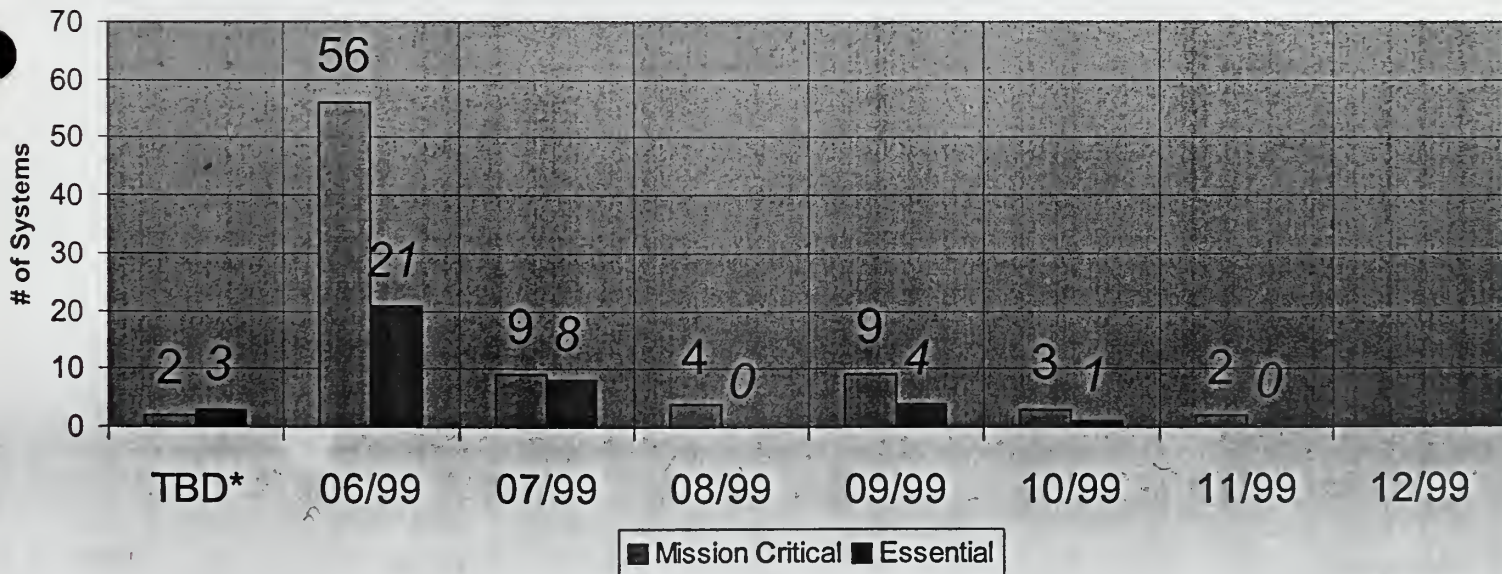
## 2.4 Changes in Numbers of Mission Critical and Essential Systems Tracked

The number of mission critical systems being reported to the PMO has decreased slightly since the April 23, 1999 report, while the number of essential systems has increased slightly. This shift is largely due to recategorization by agencies when evaluating the necessity of these systems to perform agency functions, and was approved by the PMO in each case. In a few instances, agencies reorganized their remediation projects, or reported additional systems as a result of responding to the Survey from the Office of the State Auditor and/or the Agency Statement of Compliance Status issued by the PMO.

## 2.5 System Scheduled Deployment Dates

Scheduled deployment dates of systems are shown in Graph 1. Systems with no currently committed scheduled deployment date were listed as TBD\*.

Graph 1. System Scheduled Deployment Dates



\* TBD: Absence of a committed scheduled deployment date typically was reported as being due to uncertainties about funding, staffing or dependence on an external partner for support or cooperation in remediation or testing.





## **2.6 System Future Date Testing Plans**

Testing in an environment to simulate operation during the Year 2000 ("Future Date Testing") is recommended of all systems. It should be noted that some environments (on IBM mainframes, for example) were not made available for such testing until February, 1999. In accordance with the Year 2000 Compliance and Validation Standards of July 31, 1998, Future Date Testing must be implemented for every agency's mission critical systems in order to address the possibility that errors may have been overlooked or introduced during remediation and ordinary maintenance testing.

## **2.7 Commonwealth-Critical Agencies**

Chapter 289, Section 360 of the Acts of 1998 directs the Information Technology Division and the Chief Information Officer of the Commonwealth to coordinate and oversee the Year 2000 compliance efforts of the executive departments. The CIO of the Commonwealth, in conjunction with the Secretary of Administration & Finance, will identify those agencies whose uninterrupted service delivery is considered of extreme importance to the health, safety and livelihood of the citizens of the Commonwealth of Massachusetts, or to agencies who provide such services. These agencies have been designated as Commonwealth-Critical Agencies.

All Commonwealth-Critical Agencies must perform Independent Verification and Validation work for Mission Critical systems, as stipulated in the Year 2000 Compliance and Validation Standards published on July 31, 1998. IV&V allows for an independent verification of the remediated code and testing procedures, thus reducing the likelihood of a system failure. Several Federal agencies have already mandated that their state counterparts undertake IV&V in order to reduce the possibility of large-scale processing problems.

Contingency Plans are recommended for all Mission Critical systems, but are required (per the Executive Order #408) for any Executive Branch agency Mission Critical systems whose scheduled deployment date is after June 30, 1999, and for all Mission Critical systems belonging to Commonwealth-Critical Agencies.

It is the also responsibility of Commonwealth-Critical Agencies to complete Business Continuity Planning for those vital service operations which might be affected by a software application disruption or any other cause, such as failure of external interfaces, business partners, etc.

## **2.8 Emergency Preparedness**

MEMA has completed a review of one hundred forty-six (146) city and town Comprehensive Emergency Management Plans (CEMP) and provided information and material for the communities to use. During these reviews, MEMA conducted table-top exercises based upon the CEMP. All three hundred fifty-one (351) city and town plans will be reviewed by August 15, 1999.

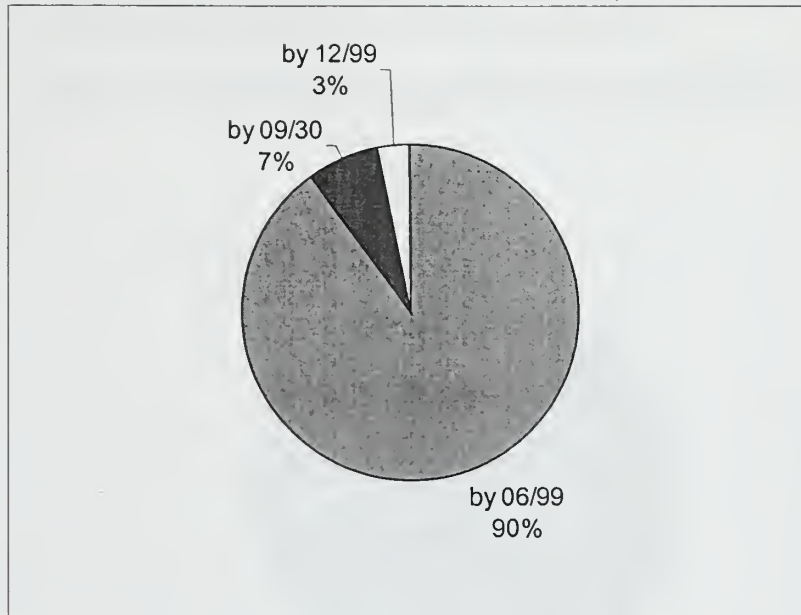
In September, MEMA will conduct another Statewide Y2K Table-Top exercise, to be followed in October with another series of seminars to update Community Public Officials. MEMA will activate and publicize a State Y2K HOTLINE in the fall. As part of a planned Y2K public information campaign, MEMA will also produce a series of radio Public Service Announcements. These announcements will be aired on radio stations across the state for a six week period later this year.



## 2.9 LAN Compliance

Significant progress has been made in remediating the Commonwealth's LANs. Graph 2 shows the percent of agencies reaching LAN Compliance before and after June 30, 1999. A number of agencies elected to utilize fiscal year 2000 budgets to fund LAN remediation, necessitating completion after the June 30<sup>th</sup> deadline. Of the 10% not yet remediated, 7% will be compliant by September 30<sup>th</sup>.

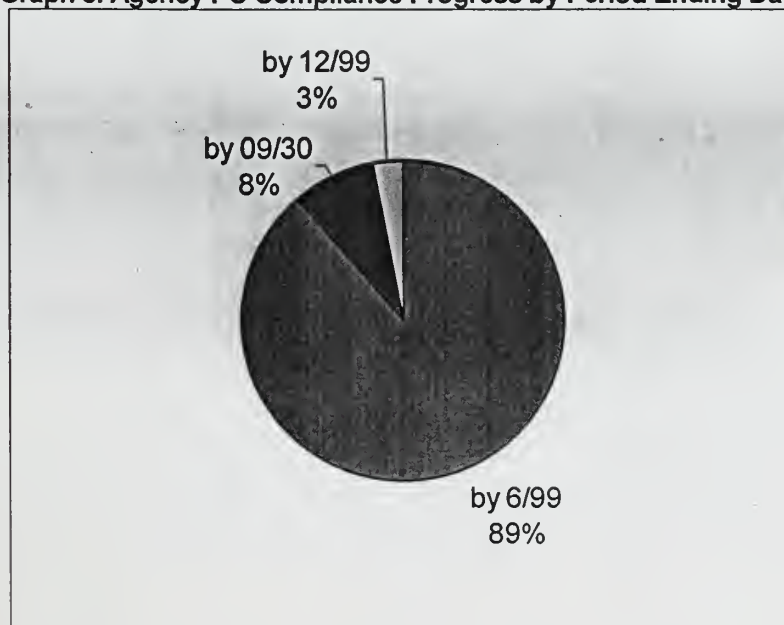
**Graph 2. Agency LAN Compliance Progress by Period Ending Date**



## 2.10 PC Compliance

The progress for Desktop PC's and software compliance is shown in Graph 3. Since a statewide contract has been established with Platinum Software, a tool suite for remediating desktop software assets is now readily available at advantageous pricing. Also, this year's "Big Buy" program has resulted in the purchase of an estimated 6,000 PC's at prices which represent savings in excess of 25%. These PC's are now being installed. In addition, the PMO has provided workshops for agencies to assist in understanding how PC hardware and software can be tested and remediated. This material is also made available on the PMO website (<http://www.state.ma.us/y2k>). Of the 11% not yet remediated, nearly half represent colleges who are taking advantage of the summer break to complete this effort.

**Graph 3. Agency PC Compliance Progress by Period Ending Date**

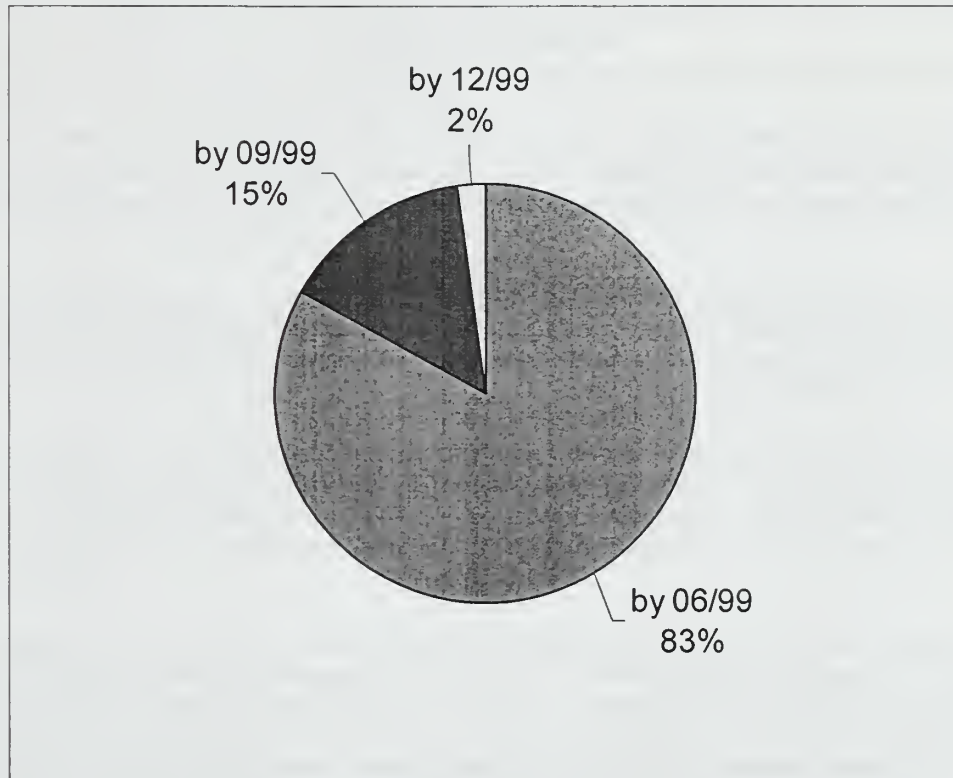




### 2.11 Telephone System Compliance

Agencies' success in achieving compliance with telephone systems has accelerated since the April report. This is partially attributed to the PMO's work with the ITD CSB organization to develop solutions to the problem. CSB has contacted telephone system equipment and service providers in order to assemble information and tools to be used by Agencies in achieving Y2K compliance. The tools include a process methodology, a vendor contact listing, presentation of information at the Y2K User Group meeting and posting of information on the Commonwealth's Y2K Web page. Of the 17% of agencies with phone systems which are not yet remediated, all but 4 are scheduled to be completed by the end of this quarter.

Graph 4. Agency Telephone Compliance Progress by Period







### 3 General Comments

- A. Systems Schedule Status. As shown in Graph 1, the number of mission critical systems which were actually delivered in June was 56. The number of mission critical systems now scheduled to be delivered after the June 30 deadline now stands at 26, and the number of essential systems at 14. Of these, 19 and 10 respectively are scheduled for remediation this quarter.
- B. Oversight. Active involvement of Secretary-level executive management has increased significantly in the past quarter. This can be attributed to a number of additional requirements for management involvement in Y2K oversight and risk management activities, in particular:
- Implementation of Executive Order #408, requiring that the secretary of each office and the director of each department appoint a senior official to oversee and coordinate the compliance and contingency planning activities of each agency within his or her secretariat or department.
  - The convening and regular monthly session of the Y2K Coordinating Committee made up of these senior officials, as well as representatives from the Judiciary.
  - The use of the Agency Summary Status Report at the Governor's Cabinet meetings on a biweekly basis.
  - CIO requirements for IV&V and contingency planning for Y2K projects, led by executive management.
  - The continuing requirement for periodic submission of the Agency Statement of Compliance Status, which requires the signature of the agency head.
- C. Funding and Legislative Support. The inclusion of the third round of Y2K supplemental funding of \$20.0M approved April 14, 1999 has again relieved a great deal of potential slippage previously reported for Y2K projects. A number of agencies took the alternative approach of budgeting the remediation of their PC's, telephone systems, and in some cases, Local Area Networks in their fiscal year 2000 budgets.
- D. Contingency Planning. All Commonwealth-Critical agencies with the exception of the Trial Courts submitted draft contingency plans by May 31<sup>st</sup>, and are now actively revising these plans. The PMO's two staff consultants continue to provide Business Continuity Planning assistance. Some Mission Critical systems' remediation schedules have slipped into July, 1999, and are now subject to mandated contingency planning.
- E. Embedded Systems. This remains an area of concern, but agencies having significant exposure in this area have again demonstrated good progress this period. As reported earlier, the experience of agencies currently tracks with the embedded systems industry, and indicates that only a small percentage of embedded systems components have a date-related problem which needs to be analyzed to determine if they have an adverse impact. While there are lead times associated with contracting external vendors to service these items, the percentage of affected assets is not as high as was originally estimated.
- F. Facilities. The PMO has been working with the Bureau of State Office Buildings and the Division of Capital Asset Management (DCAM) to support determination of all facilities compliance across Executive Branch agencies. DCAM has sent one round of requests for letters of compliance to third-party landlords, and will be sending out a second shortly to those landlords whose facilities are considered critical to the Commonwealth of Massachusetts. This second round will ensure the affected agencies have sufficient information to be confident that appropriate remediation and assessment have been performed by the respective property managers.
- G. Wide Area Networks. The PMO has included the Commonwealth's 24 private data networks in its review and monitoring process, and nine (9) of these WANs remain to be remediated, the latest by November 15<sup>th</sup>.
- H. Computing Platforms. The PMO has been monitoring 72 agency computing platforms (those computers which are application servers of types ranging from large Intel-based-architecture servers up to independently-operated mainframe computers); of these, only 9 have yet to be remediated, the latest by October 1<sup>st</sup>.
- I. Vendor Management. The compliance of vendors is not within the control of agencies, and a number of vendors have started their remediation efforts too late to be compliant by June 30, 1999. The PMO has therefore defined vendor management compliance as reached when the agency has established a managed process for determining the vendors' compliance and developed associated contingency plans commensurate with perceived risk.





## Notes



| No. | Secretariat | Agency                              | Date Systems Compliant | Date Computer LANs Compliant | Date Telephones Compliant | Date PCs Compliant | Date Embedded Systems Compliant |
|-----|-------------|-------------------------------------|------------------------|------------------------------|---------------------------|--------------------|---------------------------------|
| 1   | A&F         | Admin. Ag. for Dev. Disabilities    |                        |                              |                           |                    |                                 |
| 2   | A&F         | Admin. Law Appeal                   |                        |                              |                           |                    |                                 |
| 3   | A&F         | Appellate Tax Board                 |                        |                              |                           |                    |                                 |
| 4   | A&F         | Bureau of State Office Bldg.        |                        |                              |                           |                    |                                 |
| 5   | A&F         | Capital Asset Management            |                        |                              | 31-Jul-99                 |                    |                                 |
| 6   | A&F         | Central Business Office             |                        |                              |                           |                    |                                 |
| 7   | A&F         | Civil Service Comm.                 |                        |                              |                           |                    |                                 |
| 8   | A&F         | Comm. Against Discrimination        |                        |                              |                           |                    |                                 |
| 9   | A&F         | Dept. of Revenue                    |                        |                              |                           |                    |                                 |
| 10  | A&F         | Dept. of Veterans Services          |                        |                              |                           |                    |                                 |
| 11  | A&F         | Div. of Human Resources             |                        |                              |                           |                    |                                 |
| 12  | A&F         | EO of Admin & Finance               |                        |                              |                           |                    |                                 |
| 13  | A&F         | Finegold Library                    |                        |                              |                           |                    |                                 |
| 14  | A&F         | Fiscal Affairs Division             |                        |                              |                           |                    |                                 |
| 15  | A&F         | Group Insurance Commission          |                        |                              |                           |                    |                                 |
| 16  | A&F         | Information Technology Division     |                        |                              |                           |                    |                                 |
| 17  | A&F         | Mass. Office on Disability          |                        |                              |                           |                    |                                 |
| 18  | A&F         | Office of Dispute Resolution        |                        |                              |                           |                    |                                 |
| 19  | A&F         | Office of State Comptroller         |                        |                              |                           |                    |                                 |
| 20  | A&F         | Operational Services Division       | 31-Jul-99              |                              |                           |                    |                                 |
| 21  | A&F         | Public Emp's Retirement Board       |                        |                              |                           |                    |                                 |
| 22  | A&F         | Teacher's Retirement Board          |                        |                              | 31-Jul-99                 |                    |                                 |
| 23  | Const. Off. | Attorney General                    |                        |                              |                           |                    |                                 |
| 24  | Const. Off. | Auditor's Office                    |                        |                              |                           |                    |                                 |
| 25  | Const. Off. | Inspector General                   |                        |                              | 1-Sep-99                  |                    |                                 |
| 26  | Const. Off. | Secretary of State-Other            | 31-Jul-99              |                              |                           | 15-Aug-99          |                                 |
| 27  | Const. Off. | Secretary of State-Voter Reg        |                        | 15-Nov-99                    |                           | 15-Nov-99          |                                 |
| 28  | Const. Off. | Treasurer & Receiver General        | 1-Sep-99               |                              | 31-Jul-99                 |                    |                                 |
| 29  | Consumer    | Alcol. Bev. Control Comm.           |                        |                              |                           |                    |                                 |
| 30  | Consumer    | Board of Reg. in Medicine           |                        |                              |                           |                    |                                 |
| 31  | Consumer    | Dept of Telecommunications & Energy |                        |                              |                           |                    |                                 |
| 32  | Consumer    | Div. of Banks                       |                        |                              |                           |                    |                                 |
| 33  | Consumer    | Div. of Energy Resources            |                        |                              |                           |                    |                                 |
| 34  | Consumer    | Div. of Insurance                   |                        |                              |                           |                    |                                 |
| 35  | Consumer    | Div. of Registration                |                        |                              |                           |                    |                                 |
| 36  | Consumer    | Div. of Standards                   |                        |                              |                           |                    |                                 |
| 37  | Consumer    | Off of Cons. Aff & Business Reg's   |                        |                              |                           |                    |                                 |
| 38  | Consumer    | State Racing Commission             |                        |                              |                           |                    |                                 |
| 39  | Econ. Dev.  | Dept. of Economic Development       |                        |                              |                           |                    |                                 |
| 40  | Econ. Dev.  | Mass Office of Business Development |                        |                              |                           |                    |                                 |
| 41  | Econ. Dev.  | Office of Film                      |                        |                              |                           |                    |                                 |
| 42  | Econ. Dev.  | Office of International Trade       |                        |                              |                           |                    |                                 |
| 43  | Econ. Dev.  | Office of Travel & Tourism          |                        |                              |                           |                    |                                 |
| 44  | Econ. Dev.  | SOMWBA                              |                        |                              |                           |                    |                                 |
| 45  | Education   | Dept. of Education                  |                        |                              | 1-Sep-99                  |                    |                                 |
| 46  | Elder Aff.  | EO Elder Affairs                    |                        |                              |                           |                    |                                 |
| 47  | Environ.    | Dept. of Environ. Management        |                        |                              | 24-Jul-99                 |                    |                                 |
| 48  | Environ.    | Dept. of Environmental Protection   |                        |                              |                           |                    |                                 |





| No. | Secretariat | Agency  | Date Systems Compliant | Date Computer LANs Compliant | Date Telephones Compliant | Date PCs Compliant | Date Embedded Systems Compliant |
|-----|-------------|---|------------------------|------------------------------|---------------------------|--------------------|---------------------------------|
| 49  | Environ.    | Dept. of Food & Agriculture                     |                        |                              | 24-Jul-99                 |                    |                                 |
| 50  | Environ.    | Div. of Fisheries, Wildlife, & Environ'l Law En |                        |                              | 24-Jul-99                 |                    |                                 |
| 51  | Environ.    | EO of Environ Affairs                           |                        |                              | 24-Jul-99                 |                    |                                 |
| 52  | Environ.    | Low Level Radio. Waste Mgmt Brd                 |                        |                              | 24-Jul-99                 |                    |                                 |
| 53  | Environ.    | Metropolitan District Commission                | 31-Jul-99              |                              | 31-Jul-99                 |                    | 31-Jul-99                       |
| 54  | Exec Office | Governor's Council                              |                        |                              |                           |                    |                                 |
| 55  | Exec Office | Governor's Office                               |                        |                              |                           |                    |                                 |
| 56  | Exec Office | Lt. Governor's Office                           |                        |                              |                           |                    |                                 |
| 57  | Gen. Court  | House of Representatives                        |                        | 30-Sep-99                    |                           | 30-Sep-99          |                                 |
| 58  | Gen. Court  | House Ways and Means                            |                        |                              |                           |                    |                                 |
| 59  | Gen. Court  | Legislature DP                                  | TBD                    | 30-Sep-99                    |                           |                    |                                 |
| 60  | Gen. Court  | Senate Computer Division                        |                        |                              |                           | 30-Aug-99          |                                 |
| 61  | HHS         | Comm. for the Blind                             |                        |                              |                           |                    |                                 |
| 62  | HHS         | Comm. for the Deaf & Hard of Hearing            |                        |                              | 12-Jul-99                 |                    |                                 |
| 63  | HHS         | Dept. of Mental Health                          |                        |                              | 31-Aug-99                 |                    |                                 |
| 64  | HHS         | Dept. of Mental Retardation                     |                        |                              |                           |                    |                                 |
| 65  | HHS         | Dept. of Public Health                          | 10-Jul-99              |                              | 31-Jul-99                 |                    | 15-Sep-99                       |
| 66  | HHS         | Dept. of Social Services                        |                        |                              |                           |                    |                                 |
| 67  | HHS         | Dept. of Trans. Assistance                      |                        |                              |                           |                    |                                 |
| 68  | HHS         | Dept. of Youth Services                         |                        |                              |                           |                    |                                 |
| 69  | HHS         | Div. of Health Care Finance                     |                        |                              |                           |                    |                                 |
| 70  | HHS         | Div. of Medical Assist.                         |                        |                              |                           |                    |                                 |
| 71  | HHS         | EO of HHS                                       |                        |                              |                           |                    |                                 |
| 72  | HHS         | Mass. Rehabilitation Comm.                      |                        |                              |                           |                    |                                 |
| 73  | HHS         | Office for Refugees & Immigrants                |                        |                              |                           |                    |                                 |
| 74  | HHS         | Office of Child Care Services                   |                        | 31-Aug-99                    |                           |                    |                                 |
| 75  | HHS         | Soldiers Home-Chelsea                           |                        |                              |                           |                    |                                 |
| 76  | HHS         | Soldiers Home-Holyoke                           |                        | 14-Jul-99                    |                           |                    | 31-Jul-99                       |
| 77  | Higher Ed   | Berkshire Community College                     |                        |                              | 15-Aug-99                 |                    |                                 |
| 78  | Higher Ed   | Board of Higher Education                       |                        |                              |                           |                    |                                 |
| 79  | Higher Ed   | Bridgewater State College                       |                        |                              | 30-Aug-99                 |                    |                                 |
| 80  | Higher Ed   | Bristol Comm. College                           |                        |                              |                           |                    |                                 |
| 81  | Higher Ed   | Bunker Hill Comm. College                       |                        |                              |                           |                    |                                 |
| 82  | Higher Ed   | Cape Cod Community College                      |                        |                              |                           |                    |                                 |
| 83  | Higher Ed   | Fitchburg State College                         |                        |                              |                           |                    |                                 |
| 84  | Higher Ed   | Framingham State College                        |                        |                              |                           |                    |                                 |
| 85  | Higher Ed   | Greenfield Comm. College                        |                        |                              |                           | 1-Sep-99           |                                 |
| 86  | Higher Ed   | Holyoke Comm. College                           |                        |                              |                           |                    |                                 |
| 87  | Higher Ed   | Mass. Bay Comm. College                         |                        |                              |                           |                    |                                 |
| 88  | Higher Ed   | Mass. College of Art                            |                        |                              |                           |                    |                                 |
| 89  | Higher Ed   | Mass. College of Liberal Arts (North Adams)     |                        |                              |                           |                    |                                 |
| 90  | Higher Ed   | Mass. Maritime Academy                          |                        |                              | 20-Jul-99                 |                    |                                 |
| 91  | Higher Ed   | Massosoit Comm. College                         |                        |                              |                           |                    |                                 |
| 92  | Higher Ed   | Middlesex Comm. College                         |                        |                              | 14-Jul-99                 |                    |                                 |
| 93  | Higher Ed   | Mt. Wachusett Comm. Coll.                       |                        |                              |                           |                    |                                 |
| 94  | Higher Ed   | North Shore Comm. College                       |                        | 31-Jul-99                    | 31-Jul-99                 |                    |                                 |
| 95  | Higher Ed   | Northern Essex Comm. College                    |                        |                              |                           |                    |                                 |





| No. | Secretariat | Agency                                       | Date Systems Compliant | Date Computer LANs Compliant | Date Telephones Compliant | Date PCs Compliant | Date Embedded Systems Compliant |
|-----|-------------|--|------------------------|------------------------------|---------------------------|--------------------|---------------------------------|
| 96  | Higher Ed   | Quinsigamond Comm. College                   |                        |                              |                           |                    |                                 |
| 97  | Higher Ed   | Roxbury Comm. College                        | 15-Aug-99              |                              |                           |                    |                                 |
| 98  | Higher Ed   | Salem State College                          |                        |                              |                           | 30-Aug-99          |                                 |
| 99  | Higher Ed   | Springfield Tech. Comm. Coll.                |                        |                              |                           |                    |                                 |
| 100 | Higher Ed   | UMass - Amherst                              |                        |                              |                           |                    | 1-Sep-99                        |
| 101 | Higher Ed   | UMass - Boston                               |                        |                              |                           | 30-Sep-99          | 30-Aug-99                       |
| 102 | Higher Ed   | UMass - Boston, Donahue Inst.                |                        |                              |                           | 1-Aug-99           |                                 |
| 103 | Higher Ed   | UMass - Dartmouth                            |                        |                              |                           | 1-Sep-99           |                                 |
| 104 | Higher Ed   | UMass - Lowell                               | 1-Nov-99               | 30-Oct-99                    |                           | 30-Oct-99          | 1-Oct-99                        |
| 105 | Higher Ed   | UMass - Presidents Office                    |                        |                              |                           |                    |                                 |
| 106 | Higher Ed   | UMass - Worcester (Medical School)           |                        |                              |                           |                    |                                 |
| 107 | Higher Ed   | Westfield State College                      |                        |                              |                           |                    |                                 |
| 108 | Higher Ed   | Worcester State College                      |                        |                              |                           | 30-Jul-99          |                                 |
| 109 | Housing     | Dept. of Housing & Com Dev                   |                        |                              |                           |                    |                                 |
| 110 | Ind. Agency | Board of Library Commission                  |                        |                              | 31-Jul-99                 |                    |                                 |
| 111 | Ind. Agency | Campaign & Political Finance                 |                        |                              |                           |                    |                                 |
| 112 | Ind. Agency | Central Artery/Tunnel                        |                        |                              |                           |                    |                                 |
| 113 | Ind. Agency | Committee for Public Counsel                 |                        |                              |                           |                    |                                 |
| 114 | Ind. Agency | Community Dev. Finance Corp.                 |                        |                              | 30-Jun-99                 |                    |                                 |
| 115 | Ind. Agency | DA Association                               | TBD                    |                              |                           | TBD                |                                 |
| 116 | Ind. Agency | Disabled Persons Protection                  |                        |                              |                           |                    |                                 |
| 117 | Ind. Agency | Lottery Commission                           |                        |                              |                           |                    |                                 |
| 118 | Ind. Agency | Mass. Bay Trans. Authority                   | 31-Aug-99              |                              |                           | 30-Aug-99          |                                 |
| 119 | Ind. Agency | Mass. Convention Center Authority            |                        |                              |                           |                    |                                 |
| 120 | Ind. Agency | Mass. Cultural Council                       |                        |                              |                           |                    |                                 |
| 121 | Ind. Agency | Mass. Education Financing Author.            |                        |                              | 1-Sep-99                  |                    |                                 |
| 122 | Ind. Agency | Mass. Health & Ed. Facilities Author.        |                        |                              |                           |                    |                                 |
| 123 | Ind. Agency | Mass. Housing Finance Agency                 | 12-Aug-99              |                              |                           |                    |                                 |
| 124 | Ind. Agency | Mass. Housing Partnership Fund               |                        |                              |                           |                    |                                 |
| 125 | Ind. Agency | Mass. Port Authority                         | 1-Nov-99               |                              |                           |                    | 1-Oct-99                        |
| 126 | Ind. Agency | Mass. Turnpike Authority                     | 30-Oct-99              |                              |                           | 30-Jun-99          | 23-Jul-99                       |
| 127 | Ind. Agency | Mass. Water Resources Authority              | 30-Sep-99              |                              | 31-Jul-99                 | 30-Sep-99          |                                 |
| 128 | Ind. Agency | MassDevelopment                              |                        |                              |                           |                    |                                 |
| 129 | Ind. Agency | Office of Victim Assistance                  |                        |                              |                           |                    |                                 |
| 130 | Ind. Agency | Pension Reserves Investment Management Board |                        |                              |                           |                    |                                 |
| 131 | Ind. Agency | State Ethics Commission                      |                        |                              |                           |                    |                                 |
| 132 | Ind. Agency | Water Pollution Abatement Trust              |                        |                              |                           |                    |                                 |
| 133 | Judiciary   | Admin Office of Trial Courts                 | 30-Oct-99              | 30-Oct-99                    | 29-Oct-99                 | 30-Oct-99          |                                 |
| 134 | Judiciary   | Appeals Court                                |                        | 31-Jul-99                    |                           |                    |                                 |
| 135 | Judiciary   | Board of Bar Examiners                       |                        |                              |                           |                    |                                 |
| 136 | Judiciary   | Comm. on Judicial Conduct                    |                        |                              |                           |                    |                                 |
| 137 | Judiciary   | Supreme Judicial Court                       |                        | 1-Sep-99                     |                           |                    |                                 |
| 138 | Labor Dev.  | Board of Conciliation & Arbitration          |                        | 30-Jun-99                    | 31-Jul-99                 |                    |                                 |
| 139 | Labor Dev.  | Corp. for Bus Work & Learning                | 22-Jul-99              |                              |                           |                    |                                 |
| 140 | Labor Dev.  | Div. of Apprenticeship                       |                        | 30-Jun-99                    | 31-Jul-99                 |                    |                                 |





| No. | Secretariat | Agency                                       | Date Systems Compliant | Date Computer LANs Compliant | Date Telephones Compliant | Date PCs Compliant | Date Embedded Systems Compliant |
|-----|-------------|--|------------------------|------------------------------|---------------------------|--------------------|---------------------------------|
| 141 | Labor Dev.  | Div. of Employment & Training                | 31-Jul-99              |                              |                           | 15-Aug-99          |                                 |
| 142 | Labor Dev.  | Div. of Industrial Accidents                 |                        |                              |                           |                    |                                 |
| 143 | Labor Dev.  | Div. of Labor & Workforce Develop            |                        |                              |                           |                    |                                 |
| 144 | Labor Dev.  | Div. of Occupational Safety                  |                        | 30-Jun-99                    | 31-Jul-99                 |                    |                                 |
| 145 | Labor Dev.  | Joint Labor Mgmt Committee                   |                        | 30-Jun-99                    |                           |                    |                                 |
| 146 | Labor Dev.  | Labor Relations Comm                         |                        |                              |                           |                    |                                 |
| 147 | Pub. Safety | Architectural Access Board                   |                        |                              |                           |                    |                                 |
| 148 | Pub. Safety | Board of Bldg. Regulations                   |                        |                              |                           |                    |                                 |
| 149 | Pub. Safety | Bureau of Spec. Investigations               |                        |                              |                           |                    |                                 |
| 150 | Pub. Safety | Chief Medical Examiner                       |                        |                              |                           |                    |                                 |
| 151 | Pub. Safety | Criminal History Systems Board               |                        |                              |                           |                    |                                 |
| 152 | Pub. Safety | Criminal Justice Programs Division           |                        |                              |                           |                    |                                 |
| 153 | Pub. Safety | Criminal Justice Training Coun.              |                        |                              |                           |                    |                                 |
| 154 | Pub. Safety | Dept. of Corrections                         | 30-Sep-99              |                              |                           |                    | 30-Sep-99                       |
| 155 | Pub. Safety | Dept. of Fire Services                       |                        |                              |                           |                    |                                 |
| 156 | Pub. Safety | Dept. of Public Safety                       |                        |                              |                           |                    |                                 |
| 157 | Pub. Safety | EO of Public Safety                          |                        |                              |                           |                    |                                 |
| 158 | Pub. Safety | Gov's Highway Safety Board                   |                        |                              |                           |                    |                                 |
| 159 | Pub. Safety | Governor's Alliance Against Drugs            |                        |                              |                           |                    |                                 |
| 160 | Pub. Safety | Mass. Emergency Management                   |                        |                              |                           |                    |                                 |
| 161 | Pub. Safety | Merit Rating Board                           |                        |                              |                           |                    |                                 |
| 162 | Pub. Safety | Military Division - State                    |                        |                              | 1-Sep-99                  |                    |                                 |
| 163 | Pub. Safety | Parole Board                                 |                        |                              |                           |                    |                                 |
| 164 | Pub. Safety | Police Accreditation Commission              |                        |                              |                           |                    |                                 |
| 165 | Pub. Safety | Registry of Motor Vehicles                   |                        |                              |                           |                    |                                 |
| 166 | Pub. Safety | State Police                                 | 15-Oct-99              |                              |                           |                    |                                 |
| 167 | Pub. Safety | Statewide Emergency Telecommunications Board |                        |                              |                           |                    |                                 |
| 168 | Trans&Const | Central Transportation Planning Staff        |                        | 1-Nov-99                     |                           | 1-Nov-99           |                                 |
| 169 | Trans&Const | EO of Transportation/Construction            |                        |                              |                           |                    |                                 |
| 170 | Trans&Const | Mass. Aeronautics Comm                       |                        |                              |                           |                    |                                 |
| 171 | Trans&Const | Mass. Highways                               |                        |                              |                           |                    |                                 |

Systems include any Mission Critical or Essential Systems, whether Applications Software or Embedded Systems.

|  |                                     |
|--|-------------------------------------|
|  | Compliant After June 30, or overdue |
|  | Compliant                           |

- Mission Critical systems are those which directly impact the health, safety, or livelihood of Commonwealth citizens, or revenue to the state, or whose loss would severely jeopardize agency delivery of services.
- Essential systems are those whose loss would cause a disruption of some agency services but the agency could still deliver primary services.

Embedded Systems include any system with a microprocessor which performs a dedicated function.







# Notes

Lined paper with horizontal ruling lines for writing notes.

## ASSESSING THE Y2K READINESS ACTIVITIES OF THE UTILITIES

The Department of Telecommunications and Energy ("Department") has been aggressively monitoring the Year 2000 ("Y2K") activities of the utilities on a continuous basis. In June 1998, the Department issued a Y2K questionnaire to all electric, gas, water, telecommunications, and cable companies as well as the municipal utilities. By July 1998, all major utility companies had responded to the questionnaire.

The Department issued a follow-up directive to the major utility companies in September 1998 requiring them to submit quarterly Y2K status reports. Shortly thereafter, the electric companies submitted their Y2K status reports to the Department and have issued several subsequent status reports since then. Early in 1999, the other utility companies submitted their reports to the Department.

Despite the positive Y2K progress of the companies as noted in these reports and in the questionnaire responses (as well as in our discussions with the companies), the Department issued another directive in February 1999 requiring each of the major utility companies to submit:

- independent verification documentation regarding Y2K audits/evaluations that were performed by third party entities;
- a letter from its Chief Executive Officer ("CEO") regarding the status and date of Y2K readiness;
- bill inserts/newsletter to customers regarding its Y2K activities; and
- Y2K contingency plans.

By March 1999, the utility companies responded to the Department's directive and provide the above-mentioned documentation. Regarding the third-party audit/evaluation information, the companies submitted a list and description of the audits/evaluations that were (or are planning to be) performed. The attached table summarizes that information as well as other Y2K-status data.

The Department has also been assessing the Y2K readiness of the critical interface partners of the utility companies including: ISO New England<sup>1</sup> gas supply/production, power generation companies, and major water suppliers.

Many electric companies have divested power generation facilities from their portfolios and have sold them to various power generation companies. The Department has not only met with the electric companies but has had discussions and technical workshops with these generation companies to obtain assurances on their compliance efforts as well. The Department has also met with ISO New England on a frequent basis regarding Y2K generation and transmission issues. Based on these discussions and assurances/information provided by these entities, the Department believes that electric restructuring has had no impact on the power generation companies' ability to be "Y2K ready". It should also be noted that the Department has conducted several site visits to assess the Y2K readiness of several generation facilities and has plans to visit additional generators as well as several transmission facilities.

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<sup>1</sup> ISO New England is the independent system operator responsible for the management of the New England region electric bulk power generation and transmission systems on behalf of the region's electric companies and power generation companies that supply electricity to the New England region.



The Department has also had correspondence with the Y2K technical staff from Hydro-Québec. Because it can provide up to 2,210 Megawatts ("MW")<sup>2</sup> to New England through two voltage transmission links, Hydro-Québec is an important asset in the New England power generation equation. However, ISO New England is planning to minimize transfers between NEPOOL and other regional entities during the December 31, 1999 - January 3, 2000 rollover period and is, therefore, limiting Hydro-Québec's transmission to New England to about 600 MW.<sup>2</sup> Nonetheless, the Department will continue to get updates and assurances from Hydro-Québec and ISO New England.

The Department has also recently conducted a special Y2K technical workshop for the municipal electric entities that evaluated their efforts<sup>3</sup>. Based on the workshop and subsequent discussions with these entities, the municipal electric utilities appear to be virtually complete with their Y2K efforts.

In summary, based on the information provided to the Department as of July 6, 1999, the major utility companies:

- have completed or nearly completed the inventory, assessment, and testing phases of their information technology systems;
- have completed their inventory and assessment phases of the components with "embedded chips";
- have completed testing and remediation and are "Y2K-prepared". (A few of the gas and cable companies plan to be complete by September 30, 1999.) and
- do not expect any long-term, widespread Y2K-related outages to occur.

Despite the companies assurances regarding on-target status and the high probability of reliable Y2K-rollover service, the Department will continue to work diligently to ensure that the lights stay on in Massachusetts. We will continue our review of the third-party Y2K audit/evaluation information and discuss this with the companies in more detail to ensure that the companies have the appropriate "checks and balances" in place. If we are not completely satisfied with the audit/evaluation information or believe that the information from the Y2K discussions, workshops, site visits, and CEO "sign-offs" require further independent verification, the Department will contract with an appropriate, highly-qualified third party entity to perform a further independent evaluation.

The Department and the Information Technology Division have been assured that there will not be any significant interruptions as result of Y2K issues. The information that we have received to date supports this conclusion.

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<sup>2</sup> It should be noted that the total New England generating capacity is 26,000 MW. The peak electricity demand during the December 31, 1999 11pm to January 1, 2000 1am timeframe is expected to be approximately 14,000 MW.

<sup>3</sup> The municipal electric utility generating capacity is less than 2 percent of the total New England capacity. The municipal electric utilities provide electric service to approximately 10 percent of Massachusetts' consumers.

1998

1999

2000

2001

2002

2003

2004

2005

2006

2007

2008

2009

2010

2011



Utility Companies' Y2K Status<sup>1</sup>

| <u>Company</u>       | <u>Y2K 3<sup>rd</sup> Party Evaluations<sup>2</sup></u>  | <u>Y2K-Ready Date<sup>3</sup></u> | <u>Filed<sup>4</sup></u><br><u>Letter/</u><br><u>Contingency Plans</u> |
|----------------------|--|-----------------------------------|--|
| AT&T                 | NRIC/FCC, proprietary firm   | June 30, 1999                     | Yes/Yes  |
| Bell Atlantic        | NRIC/FCC, Bellcore, Price Waterhouse   | June 30, 1999                     | Yes/No   |
| GTE                  | NRIC/FCC   | June 30, 1999                     | Yes/Yes  |
| MCI WorldCom         | NRIC/FCC   | September 30, 1999                | Yes/No   |
| Sprint               | NRIC/FCC   | June 30, 1999                     | Yes/Yes  |
| Boston Edison        | Pricewaterhouse Coopers, Duke Engineering, U.S. NRC, another firm (to be selected in 2 <sup>nd</sup> Q 1999) | June 30, 1999                     | Yes/Yes  |
| ComEnergy            | RCG-Information Technologies, Duke Engineering, Arthur Anderson  | June 30, 1999                     | Yes/Yes  |
| Eastern Edison       | Duke Engineering, Pricewaterhouse Coopers, Keane, Inc., Stone & Webster Management Consultant, Inc.          | June 30, 1999                     | Yes/Yes  |
| NEES                 | Keene Inc., IBM, CyberServices America, Duke Engineering, Pricewaterhouse Coopers                            | June 30, 1999                     | Yes/Yes  |
| Northeast Utilities  | CyberServices America, Ray! Associates, Duke Engineering, U.S. NRC   | June 30, 1999                     | Yes/Yes  |
| Unitil               | CyberServices America, Duke Engineering, considering another   | June 30, 1999                     | Yes/No   |
| Bay State Gas        | KPMG, NIPSCO Industries, Inc., Computer Horizons Corp., Stone & Webster Corp.                                | September 30, 1999                | Yes/Yes  |
| Berkshire Gas        | Not expecting to hire any  | September 30, 1999                | Yes/No   |
| Blackstone Gas       | NI <sup>5</sup>  | NI                                | No/No  |
| Boston Gas           | Arthur Anderson  | June 30, 1999                     | Yes/No   |
| Colonial Gas         | NI   | July 31, 1999                     | Yes/No   |
| Fall River Gas       | Considering hiring one   | June 30, 1999                     | Yes/No   |
| North Attleboro Gas  | NI   | September 1, 1999                 | Yes/No   |
| Cablevision          | Ernst & Young, DMR Consulting, KPMG  | June 30, 1999                     | Yes/No   |
| Greater Media        | Not expecting to hire any  | September 30, 1999                | Yes/No   |
| Media One            | Arthur Anderson  | September 30, 1999                | Yes/No   |
| RCN                  | DMR Consulting Group   | June 30, 1999                     | Yes/No   |
| Time Warner          | Ernst & Young  | June 30, 1999+ <sup>6</sup>       | Yes/No   |
| Non-Nucl. Generators | Duke Engineering (overall), Stone & Webster, Sargent & Lundy, NRG  | June 30, 1999                     | 75% <sup>7</sup>   |
| Nuclear Generators   | U.S. NRC   | June 30, 1999                     | 75% <sup>7</sup>   |



## NOTES TO UTILITY Y2K STATUS TABLE

<sup>1</sup> Information in this table has been provided to the Department by the companies as of July 6, 1999.

<sup>2</sup> This column lists the third-party independent entities who performed or assisted in a review of the companies' Y2K activities, procedures, and/or compliance. NRIC/FCC = Network Reliability & Interoperability Council/Federal Communications Commission (NRIC is a council that represents the interest of the FCC); U.S. NRC = U.S. Nuclear Regulatory Commission; NIPSCO = Northern Indiana Power State Company; NRG = NRG Energy, Inc. (a subsidiary of Northern States Power Company).

<sup>3</sup> The "Y2K-Ready Date" represents the date that each company has stated that it expects to be completed with Y2K testing and remediation of its essential operating systems so that it will be able to sustain operations through each of the critical Y2K rollover periods. Note that MCI WorldCom states that: "the majority of [its] mission-critical systems were remediated, passed Year 2000 testing, and were placed back into production by March 31, 1999. The remaining mission-critical systems and non-mission critical systems are targeted for compliance by June 30, 1999, with full deployment of the remediated solutions throughout the Company's network targeted for completion by September 30, 1999".

<sup>4</sup> Company responses to Department's directive dated February 23, 1999.

<sup>5</sup> "NI" means not included in the information provided to the Department as of July 6, 1999.

<sup>6</sup> As of December 31, 1998. By June 30, 1999, Time Warner expects 80 percent completion.

<sup>7</sup> The Department, as of May 9, 1999, has met with Y2K staff from a large portion of the New England non-nuclear and nuclear power generation facilities. In total, the Department has obtained Y2K assurances/information from over 75 percent of the total generating capacity in New England.







## Notes

## Municipal Electric Utilities Y2K Technical Session

This memorandum serves as a summary of the technical session that was held on April 28, 1999 at the Town of Shrewsbury's municipal offices, where municipal electric utility representatives addressed Y2K issues.

The purpose of the technical session was to:

- provide the Department with additional information of the municipalities' Y2K readiness efforts through an open forum/exchange;
- promote open discussion between the municipal electric utilities;
- promote discussion between the municipal utilities and ISO New England Inc.;
- allow continued discussion with electric (T&D) companies;
- discuss preliminary contingency plans; and
- determine if there is anything that the Department can do to assist in making the Year 2000 rollover work without serious disruption.

A list of questions/issues was provided to the participants about four weeks prior to the technical session. The participants were to respond to those questions at the technical session. The information in this memorandum is based on the responses by the participants.

The Department requested that all Massachusetts municipal electric utilities be represented at the session. (See Attachment 1 for a list of the municipal electric utilities.) Although not all Massachusetts municipal electric utilities were able to attend the workshop, the Department plans to contact the ones that were unable to attend and obtain pertinent Y2K information from them as well.<sup>1</sup> Accordingly, this memorandum also includes information from the utilities that was received based on discussions with them on an individual basis prior to and subsequent to the technical session/workshop.<sup>2</sup>

The Department also invited representatives of ISO New England, Inc.,<sup>3</sup> the electric companies, the Massachusetts Municipal Association ("MMA") and the Commonwealth

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<sup>1</sup> As of July 1, 1999, the Department has contacted two of the fifteen remaining municipal utilities that were not present at the session/workshop. (Note that MMWEC was present at the session/workshop and could be considered a representative to seven of the remaining thirteen.)

<sup>2</sup> It should be noted that, as of July 1, 1999, this memorandum has not been reviewed by the municipal electric utilities. Many of the previously-issued Y2K technical session/workshop memorandums (i.e., the memorandums regarding the November 3, 1998 transmission and distribution, the December 3, 1998 nuclear generation, and the March 23, 1999 non-nuclear generation sessions, noted below) were reviewed by the attending utility Y2K technical staff for clarification and accuracy prior to their release to the public.

<sup>3</sup> ISO New England is the independent system operator of the New England power grid and has management responsibility of the region's bulk power generation and transmission systems. Because of ISO New England's role, the Department felt that it was essential to have a representative from ISO New England present at this workshop.



of Massachusetts Division of Local Services, under the Department of Revenue ("DLS"). Although ISO New England and several electric companies were represented at the workshop, representatives from MMA and DLS indicated that they were unable to attend.

Municipal electric utility Y2K issues were the primary focus of the technical session because:

- the Department covered transmission and distribution issues in a previous session on November 3, 1998,<sup>4</sup>
- the Department covered nuclear generation issues in a technical session held on December 3, 1998,
- the Department covered non-nuclear generation issues in a technical session held on March 23, 1999.

## Background

Approximately 10 percent of Massachusetts consumers are served by municipal electric utilities. The Department does not regulate the reliability of service of these entities. However, because municipal electric utilities are a vital part of providing electric service directly to a substantial number of Massachusetts customers (and could have an effect on the ability to provide electricity to all Massachusetts customers), the Department believed that it was important to meet with these entities in a workshop forum.

Furthermore, because some of the municipal electric utilities have the capability to generate electricity, the Department felt that it was important to assess the Y2K readiness of these generating entities in a similar fashion as the Department's review of the other New England generating assets (discussed in the technical session/workshop notes which are posted on the Department's Y2K website; see <http://www.magnet.state.ma.us/dpu/Y2KWeb/Y2Kweb4.htm>). Note that all of the municipal electric utilities that have the capability to generate electricity were represented at the Y2K technical session/workshop.

## General Discussion

Nearly all of the utilities stated that, as of April 28, 1999, they had completed (or will complete within the near future) testing and remediation of their mission critical

<sup>4</sup>

Note that this memorandum contains "hyperlinks" to pertinent internet links and can be accessed through clicking the underlined words (i.e., the statement that is being referenced by this footnote) assuming use of compatible software.





components.<sup>5</sup> The testing and remediation phases include components which contain embedded chips.<sup>6</sup>

The utilities informed the Department that they had conducted a comprehensive assessment of components containing embedded chips. Despite their comprehensive search, they found that their systems contain a very small number of "date sensitive" components. The reason that the number of components is relatively small (and likely a smaller number than many of the Massachusetts electric companies' systems) is because many of the municipal electric utilities' components are of a vintage that pre-dates the use of digital equipment. Nearly all of the municipal electric utility generators are of this vintage and are not susceptible to potential Y2K difficulties.

### Discussion on Transmission and Distribution Systems

Some utilities informed the Department that they do not have any transmission or distribution components/systems that rely on embedded chips or microprocessed-based equipment and are therefore not susceptible to potential Y2K difficulties.<sup>7</sup> Also, nearly all of the protective relays<sup>8</sup> within the transmission and distribution systems of the municipal electric utilities are electromagnetic (not digital), which are not susceptible to potential Y2K difficulties.

The municipal electric utilities informed the Department that the few remaining transmission and distribution systems that contain digital relay devices have been, as of April 28, 1999, tested and/or remediated and are considered "Y2K-ready".

According to the information provided by the municipal utilities, some of the municipal electric utilities use supervisory control and data acquisition ("SCADA") systems to monitor their distribution systems;<sup>9</sup> many of these systems have been upgraded as of

---

<sup>5</sup> Mission critical systems/components are defined as items needed to sustain electrical operations into the Year 2000.

<sup>6</sup> It should be noted that embedded chips are microprocessors that are incorporated into power generation, transmission, and distribution components. These components include digital controls, protective relays, and telecommunication equipment. The embedded microprocessors that contain time sensitive controls or that use time information as a function or through its process are potentially at risk for Y2K problems.

<sup>7</sup> This is particularly the case with many of the municipal electric entities that have no generating capacity and serve a small population.

<sup>8</sup> Protective relays are one of the major components of a transmission or distribution substation. Other than the telecommunication and computer monitoring equipment related to the operation of the substation, the digital protective relay is the only device that may have microprocessed-based functions.

<sup>9</sup> SCADA is an industrial measurement and/or control system consisting of a central host, one or more field data gathering and control units, and a collection of software used to monitor and/or control remotely located field data elements. For an electric distribution systems, it is sometimes



April 28, 1999. Most of the remaining utilities have indicated that they will be completed by July 1, 1999. Two of the municipalities suggested that they will be completed in early Fall 1999.<sup>10</sup>

The Department was informed that many of the municipal electric utilities that have SCADA systems can operate without them as a contingency plan. The Department was further informed that these municipal electric utilities have operated without the SCADA systems for substantial period of time and had no impact on their operation.

The municipal electric utilities informed the Department that metering of electricity to and from the municipalities is the responsible of the electric companies and its associated Y2K preparedness, despite the fact that these meters are located near or at the municipal electric utilities' substation. The data from these meters are likely being transmitted through a microprocessed-based system. The Department will ensure that the electric companies are performing the necessary Y2K activities on the metering devices and their associated data transmission equipment.<sup>11</sup>

### **Discussion on Power Generation**

As stated above, all of the municipal electric utilities that have the capability to generate electricity were represented at the April 28, 1999 Y2K technical session/workshop. (The municipalities that have generation capabilities are noted below in Attachment 1.) The Department was informed that, as of April 28, 1999, nearly all of the generation facilities have been determined to be "Y2K ready". The remaining few will be rendered "Y2K ready" by July 1, 1999 or shortly thereafter. Also, as was indicated above, nearly all of the municipal electric utility generators are of a pre-1970s vintage and are not susceptible to potential Y2K difficulties. Nonetheless, the municipal electric utilities are diligently performing the necessary Y2K assessments.

Furthermore, according to the municipal electric utilities, all of the municipalities' generators are "peaking" facilities and are only on-line during high peak demand periods, such as during a normal workday during the summer and winter months. Accordingly, they are not expected to be on-line during the December 31, 1999 - January 1, 2000 timeframe. The municipal electric utilities informed the Department that they are planning to place these facilities in a standby mode (to be available to go on-line if

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referred to as a Distributed Control System or an Energy Management System. It should be noted that only the larger population communities have a SCADA system; the smaller ones do not.

<sup>10</sup> The Department will discuss the issue further with these two municipal electric utilities to clarify their "Y2K ready" date for those systems and to determine the effect of not having those systems upgraded by the Y2K rollover period.

<sup>11</sup> The Department has contacted many of the electric companies, as of April 27, 1999, and has made preliminary determination that the electric companies are, in fact, responsible for those items and will ensure their Y2K readiness by June 30, 1999. The Department will, by July 31, 1999, contact the remaining companies and make a final determination.





needed) as a contingency plan. It should be further noted that these facilities have a "black start"<sup>12</sup> capability and this "black start" has been AY2K tested" prior to April 28, 1999.

### **Municipal Utilities' Y2K Contingency Plans**

The utilities provided the Department with the following critical items of their contingency plans:

- (a) Fuel Supply - All gas/oil-fired power plants will have more than 4 days of surplus fuel oil storage capabilities. Many will have much more than that;
- (b) Available Workforce - All of the municipal electric utilities plan to fully staff their systems, including the power plants (even if the plant is in a shutdown down) during the Y2K rollover period;
- (c) Available Spare Parts and Consumables - All of the companies will stock up their spare parts inventory as well as the plants' consumables throughout this year. Additionally, the facilities will "test" all spare parts for Y2K compliance; and
- (d) Shortfall of Electricity - In the unlikely event that electricity can not be transmitted to the municipality from the New England grid, the municipalities with generating capacity have the capability to operate completely isolated from the New England system.

### **Telecommunications Impacts**

Telecommunications play a critical role in the operation of municipal electric utilities.

ISO New England/NEPOOL as New England's regional power pool manager has informed the Department that it is aggressively looking into the issue and is performing a series of "drill exercises" to determine its ability to be less dependent (or being completely independent, as a contingency plan) of wireline telecommunication services by using back-up communication systems. This contingency planning is to ensure that the power will be able to flow in the unlikely event of a partial (or total) loss of wireline services. ISO New England/NEPOOL has performed two such drills and will perform several more drills this year with the next major one planned for September 9, 1999. ISO New England has informed the Department that these two drills have been successful.

ISO New England further informed the Department that many of the larger municipalities and those with generating capacity will be part of this back-up communications. Furthermore, many of the municipalities have their own back-up telecommunications systems.

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<sup>12</sup> A "black start" means that a generator has the capability to start generating without the need of an outside source for electricity.





## Y2K Reporting

The Department has been informed that many of the utilities are reporting to the North American Electric Reliability Council (NERC) regarding their Y2K status on a monthly basis.<sup>13</sup> Some report to the Massachusetts Municipal Wholesale Electric Company. Nearly all have had discussions with the electric companies in regard to each other's Y2K efforts.

---

<sup>13</sup> For information on NERC and the monthly submittals, see NERC's website.  
(<http://www.nerc.com/~y2k/y2k.html>)



# ATTACHMENT 1

## List of attendees

|  |  |
|--|--|
| Ashburnham Municipal Light Plant   | Stanley Herriott                             |
| Belmont Municipal Light Department   | John Small                                   |
| Boston Edison  | James Ashkar, Roy Donlon, and Robert Manning |
| Braintree Electric Light Department  | Walter McGrath                               |
| Chester Municipal Electric Light Department  | Kelly D'Astous                               |
| Chicopee Municipal Light Department  | Mike Madore                                  |
| Commonwealth of Massachusetts Department of Telecommunications and Energy ("the Department") | John Chavier and Norm Getz                   |
| Commonwealth of Massachusetts Information Technology Division                                | Ron Calabria                                 |
| Concord Municipal Light Plant  | Daniel Sack                                  |
| Danvers Electric Division  | Charles J. Orphanos                          |
| Eastern Utilities Associates   | Dean Sorenson                                |
| Groton Electric Light Department   | Doris Choznoniesky                           |
| Hingham Municipal Lighting Plant   | Pat Cambell                                  |
| Holden Municipal Light Department  | Edla Bloom                                   |
| Holyoke Gas & Electric   | James Lavelle                                |
| Hudson Light and Power Department  | Anthony Monteiro                             |
| Ipswich Municipal Light Department   | Louis Balboni                                |
| ISO-New England Inc.   | John Newsham                                 |
| Marblehead Municipal Light Department  | Robert Jolly                                 |
| Massachusetts Municipal Wholesale Electric Company ("MMWEC")                                 | Sandy Magyar                                 |
| Paxton Municipal Light Department  | Diane Dillman                                |
| Peabody Municipal Light Plant  | Bruce Patten                                 |
| Princeton Municipal Light Department   | Jonathan Fitch                               |
| Rowley Municipal Lighting Plant  | Robert Merry                                 |
| Shrewsbury's Electric Light Plant  | Fran Paika                                   |
| Taunton Municipal Lighting Plant   | Joe Blain                                    |
| Wakefield Gas & Electric Department  | William Wallace                              |
| Wellesley Municipal Light Plant  | Gary Babin                                   |
| West Boylston Municipal Lighting Plant   | Ralph Iaccarino and John Scirpoli            |
| Westfield Gas & Electric Department  | Tom Balakonis                                |



# ATTACHMENT 2

## List of Municipal Electric Utilities

| <u>Municipal Electric Utility</u>            | <u>Approximate<br/>Generation Capability</u> | <u>Approx. Population Served<sup>14</sup></u> |
|--|--|---|
| Ashburnham Municipal Light Plant             | No generation capacity                       | 5,400   |
| Belmont Municipal Light Department           | No generation capacity                       | 25,000  |
| Boylston Municipal Light Department          | No generation capacity                       | 3,500   |
| Braintree Electric Light Department          | 100 MW capacity                              | 34,000  |
| Chester Municipal Electric Light Department  | No generation capacity                       | 1,300   |
| Chicopee Municipal Lighting Plant            | 8 MW capacity                                | 57,000  |
| Concord Municipal Light Department           | No generation capacity                       | 17,000  |
| Danvers Electric Division                    | No generation capacity                       | 24,000  |
| Georgetown Municipal Light Department        | No generation capacity                       | 6,400   |
| Groton Electric Light Department             | No generation capacity                       | 7,500   |
| Groveland Municipal Light Department         | No generation capacity                       | 5,200   |
| Hingham Municipal Lighting Plant             | No generation capacity                       | 20,000  |
| Holden Municipal Light Department            | No generation capacity                       | 15,000  |
| Holyoke Gas & Electric                       | 30 MW capacity                               | 44,000  |
| Hudson Light and Power Department            | 20 MW capacity                               | 17,000  |
| Hull Municipal Lighting Plant                | No generation capacity                       | 11,000  |
| Ipswich Municipal Light Department           | 13 MW capacity                               | 12,000  |
| Littleton Electric Light & Water Departments | No generation capacity                       | 7,000   |
| Mansfield Municipal Electric Department      | No generation capacity                       | 17,000  |
| Marblehead Municipal Light Department        | 7 MW capacity                                | 20,000  |
| Merrimac Municipal Light Department          | No generation capacity                       | 5,200   |
| Middleborough Gas and Electric Department    | No generation capacity                       | 25,000  |

<sup>14</sup> This column provides the population that resides in the municipality (or municipalities) served by the each utility. The number of customers served by each utility would be lower than the population.





## ATTACHMENT 2

### List of Municipal Electric Utilities

| <u>Municipal Electric Utility</u>                   | <u>Approximate<br/>Generation Capability</u> | <u>Approx. Population Served<sup>15</sup></u> |
|---|--|---|
| Middleton Municipal Light Department                | No generation capacity                       | 5,000   |
| North Attleborough Electric Department              | No generation capacity                       | 25,000  |
| Norwood Municipal Light Department                  | No generation capacity                       | 29,000  |
| Paxton Municipal Light Department                   | No generation capacity                       | 4,000   |
| Peabody Municipal Light Plant                       | 70 MW capacity                               | 50,000  |
| Princeton Municipal Light Department                | No generation capacity                       | 3,200   |
| Reading Municipal Light Department                  | No generation capacity                       | 60,000  |
| Rowley Municipal Lighting Plant                     | No generation capacity                       | 4,500   |
| Russell Municipal Light Company                     | No generation capacity                       | 1,600   |
| Shrewsbury's Electric Light Plant                   | 15 MW capacity                               | 24,000  |
| South Hadley Electric Light Dept.                   | No generation capacity                       | 17,000  |
| Sterling Municipal Light Department                 | No generation capacity                       | 6,500   |
| Taunton Municipal Lighting Plant                    | 150 MW capacity                              | 67,000  |
| Templeton Municipal Lighting Plant                  | No generation capacity                       | 6,400   |
| Wakefield Gas & Electric Department                 | No generation capacity                       | 25,000  |
| Wellesley Municipal Light Plant                     | No generation capacity                       | 27,000  |
| West Boylston Municipal Lighting Plant              | No generation capacity                       | 6,600   |
| Westfield Gas & Electric Department                 | No generation capacity                       | 38,000  |
| <b>Total of 40 Municipal Electric<br/>Utilities</b> | <b>413 MW capacity<sup>16</sup></b>          | <b>780,000<sup>17</sup></b>                   |

<sup>15</sup> This column provides the population that resides in the municipality (or municipalities) served by the each utility. The number of customers served by each utility would be lower than the population.

<sup>16</sup> The municipal electric utility generating capacity is less than 2 percent of the total New England capacity. The total New England generating capacity is 26,000 MW.

<sup>17</sup> The municipal electric utilities provide electric service to approximately 10 percent of Massachusetts' consumers.





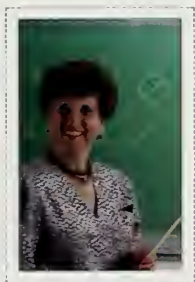
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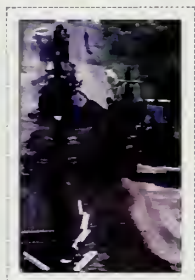
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- A First-Hand Look at Local Readiness
- Contingency Planning to Minimize Disruptions
- Public Outreach
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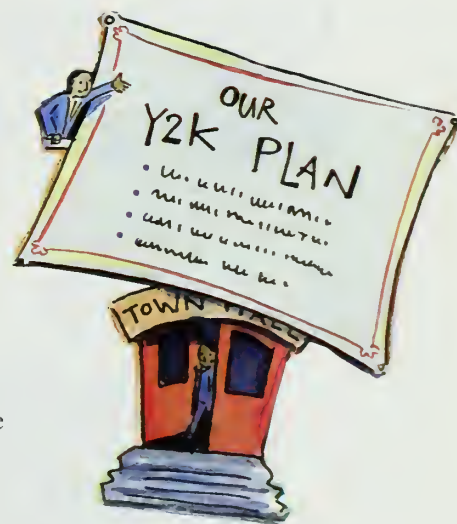
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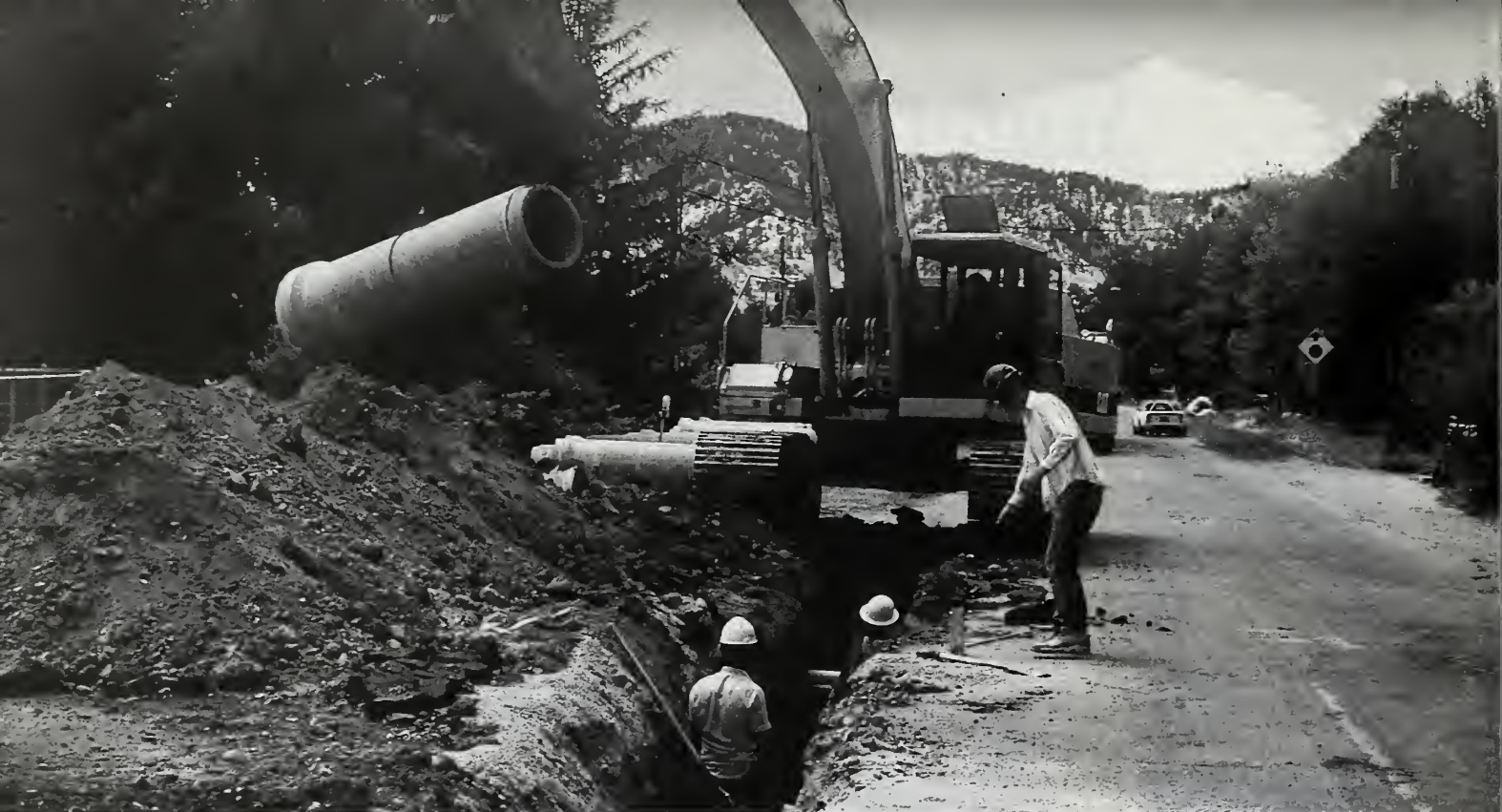
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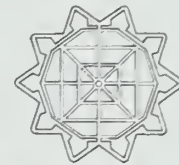
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**Spring 1999** (Volume 18, No. 2)  
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**Summer 1999** (Volume 18, No. 3)  
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**Fall 1999** (Volume 18, No. 4)  
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**Winter 1999-2000** (Volume 19, No. 1)  
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The Metropolitan Washington Council of Governments has published a guide to help local governments deal with Year 2000 computer-related problems. The *Year 2000 Best Practices Manual* includes solutions, strategies and a 300-page appendix. Cost is \$45. To order, call the council at (202) 962-3200, or visit their Web site ([www.mwcog.org](http://www.mwcog.org)).

## Successful Collaboratives

The National Civic League has published a yearbook of successful collaborative community problem-solving efforts. The *1999 All-America City Yearbook* provides summaries of programs that were established by the 1998 All-America City winners and finalists. Thirty community programs are profiled in the twenty-eight-page publication.

Since 1949, the NCL's All-America City award program has recognized civic excellence by honoring communities of all sizes in which citizens, governments, businesses and volunteers have worked together to address local issues.

Cost for the handbook is \$4, including shipping. To order, contact the National Civic League, 1445 Market St., Suite 300, Denver, CO, or call (303) 571-4343 or visit the NCL Web site ([www.ncl.org/ncl](http://www.ncl.org/ncl)).

The NCL is a nonprofit, non-partisan organization dedicated to strengthening citizen democracy by transforming democratic institutions.

## Developing Municipal Buildings

Public Technology Inc. has published two books to help local officials develop,

manage and renovate municipal buildings in a timely and affordable manner.

The *Local Government Sustainable Buildings Guidebook: Environmentally Responsible Building Design and Management* gives a design-to-demolition overview of sustainable construction and renovation strategies for municipal buildings, and identifies existing sustainable urban plans, projects, references and resources. Cost is \$18 for government officials, \$52 for all others.

The *Sustainable Building Technical Manual: Green Building Design, Construction and Operation* offers designers, builders, and operators of public and private facilities step-by-step guidelines to resource-efficient buildings. Cost is \$34 for government officials, \$68 for all others.

To request a copy of either publication, contact PTI's customer service center at (800) 852-4934. PTI is a nonprofit technology organization of the National League of Cities, the National Association of Counties, and the International City/County Management Association.

## Environmental Safety Guides

The Environmental Development Corporation has introduced two new environmental safety guides. The forty-page handbooks provide quick and easy ways to administer and document training for employees working with vehicle and maintenance facilities. The guides cover EPA and OSHA rules and recommended practices.

The *Shop Environmental Training and Awareness Guide* includes chapters on employee rights-to-know, hazardous waste cleanup, wastewater, spill control, solid-waste recycling, emissions controls and storage tank safety.

The *Shop Safety Training and Awareness Guide* covers emergency planning, first aid, machine hazards, truck and auto-

motive lifts, carbon monoxide exhaust, and materials storage.

Each guide may be purchased for \$89 for a set of five, or \$159 for a set of ten. To order, call the EDC at (419) 422-1200.

## Solid Waste Management

The International City/County Management Association has published a report that provides a systematic approach for local officials to identify and report the actual costs of solid waste management in municipal government.

The *Local Government Special Report: A Full Cost Accounting for Solid Waste Services* enables local government officials to improve their services by making apparent the cost components for service delivery and revealing opportunities to manage these costs more effectively. The report was researched in response to calls from local officials seeking greater access to information on full-cost accounting for solid waste services.

For information or a free copy, call Barbara Yuhas at the ICMA at (202) 962-3539. Copies of the report can also be downloaded from the Loca! Government Environmental Assistance Network ([www.lgean.org/html/pdf/260.pdf](http://www.lgean.org/html/pdf/260.pdf)).

The ICMA is the professional and education association for more than 8,000 appointed administrators and assistant administrators serving local governments and regional entities.

## Public Ethics

A new book from Jossey-Bass Publishers addresses the operational criteria that municipal administrators need to use to reconcile public law, executive discretion, citizen participation and their own personnel and institutional values.

*Responsible Administrator: An Approach to Ethics for the Administrative Role* looks at the increased demand on public officials to maintain a conscious ethical posture in an era of constant media competition and blurring of public and private roles. In his 304-page book, author Terry Cooper suggests that public administrators should develop "a working ethic that becomes the substance of one's professional character." The book offers

*Continued on page 42*

*Compiled by Ken Carty*

*Product descriptions in "Resources" are based on materials provided by publishers, associations and government agencies. Their inclusion does not constitute an endorsement by the MMA.*

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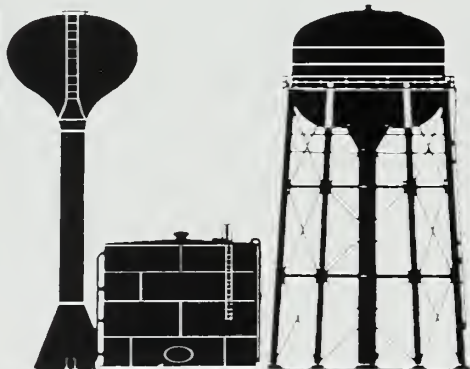


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BankBoston collectively refers to BankBoston Corporation and its affiliated companies, including BankBoston, N.A. (member FDIC) and BancBoston Securities Inc. (member NASD/SIPC).

# Can City Employee Serve on Council?

**Q.** Can municipal employees serve on a city council?

**A.** Yes. Chapter 7 of the Acts of 1999 (Sects. 1-3) allows municipal employees to serve on city councils in the communities where they work. Previously, municipal employees could serve on boards of selectmen and town councils, but not city councils. The new law amends various state laws (M.G.L. Ch. 39, Sect. 6A; Ch. 43, Sect. 17A; and Ch. 268A, Sect. 20) by adding city councils to the list of elected bodies that municipal employees can join.

**Q.** Must town meeting vote to appropriate funds awarded to a town by state grant for an emergency water treatment project?

**A.** According to state law (M.G.L. Ch. 44, Sect. 53A), a grant from the state to a town department can be expended by the department without appropriation. Any expenditure, however, must appear on a warrant approved by the board of selectmen. If the grant was not made to a particular town department, however, then town meeting must first appropriate the funds and also designate which town board or department has the authority to expend the grant, according to the Division of Local Services. In other words, in this particular case, it would be necessary to review the grant documents to determine whether the granting agency intended to make the

award to the board of public works or to the town itself.

**Q.** How many handicapped parking spaces are required by state law?

**A.** State law (M.G.L. Ch. 40, Sect. 21, Cl. 23) requires the following number of spaces, based upon the total spaces in a given lot available to the public:

- Between sixteen and twenty-five spaces: one handicapped space
- Between twenty-six and forty spaces: five percent of such spaces but not less than two
- Between forty-one and one hundred spaces: four percent of such spaces but not less than three
- Between 101 and 200 spaces: three percent of such spaces but not less than four
- Between 201 and 500 spaces: two percent of such spaces but not less than six
- Between 501 and 1,000 spaces: one and one-half percent of such spaces but not less than ten
- Between 1,001 and 2,000 spaces: one percent of such spaces but not less than fifteen
- Between 2,001 and 5,000 spaces: three-fourths of one percent of such spaces but not less than twenty
- More than 5,000 spaces: one-half of one percent of such spaces but not less than thirty

**Q.** What are the recent changes to the requirements for the School Building Assistance program?

**A.** Beginning in fiscal 1999, districts must meet annual spending

requirements for building maintenance to be eligible for future School Building Assistance project approvals. To retain eligibility, the district must have spent at least fifty percent of the sum of the district's foundation budget for ordinary maintenance, including utility costs and extraordinary categories (Ch. 194 of the Acts of 1998, Sect. 241). The Board of Education and the Division of Local Services jointly administer a waiver process for unanticipated or extraordinary changes in maintenance spending.

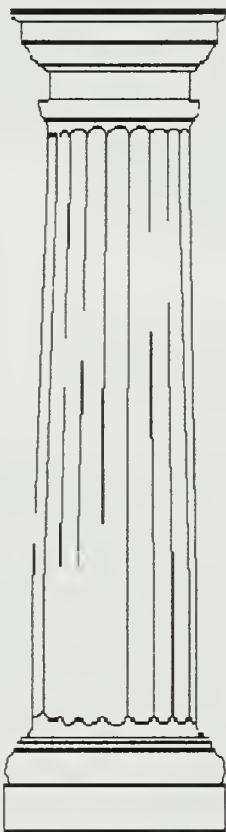
**Q.** What is a stabilization fund and how may it be used?

**A.** A stabilization fund is a mechanism for setting aside money either for unforeseen needs or for capital projects, according to the Division of Local Services. Such a fund is intended to equalize the effect of capital expenditures over time and to provide a "rainy day" fund. A community may appropriate up to ten percent of the previous year's tax levy into the fund, so long as the fund balance does not exceed ten percent of the community's equalized valuation. A majority vote by the community's legislative body (town meeting or city or town council) is required to appropriate funds into the stabilization fund. Two-thirds of the community's legislative body must vote to appropriate money out of the fund.

Until fiscal 1992, stabilization funds could be used only to finance capital expenditures for which a community could borrow. Currently, the funds may be used for "any lawful municipal purpose," enabling communities to use the funds for general operating expenses if needed. ●

*"Ask the Advocate" is based on the research of MMA staff members in response to questions from members. Address questions to Ask the Advocate, attn: Advocate Editor, MMA, 60 Temple Place, Boston 02111.*





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# 'The Politest Town in America'

## Melrose Civility Effort Gains International Attention

BY BETSY JOHNSON

When Melrose Mayor Patrick Guerriero began thinking about his inaugural address for January 1998, he spent considerable time talking to residents about their concerns. It turned out they cared less about public policy than about issues like how coarse public discourse had become, road rage, bad language at ball games, a lack of respect for senior citizens, and rude baggers at the grocery store. So in his address, Guerriero pledged to focus on civility. And so began the city's transformation to "the politest town in America," as Melrose has recently been dubbed by a British newspaper.

Guerriero's initial act was to appoint a citizen committee, the Melrose Responding With Respect Committee, comprised primarily of residents but also including Guerriero, the city's library director, the middle school principal, the director of the Council on Aging, a Police Department detective, a local clergy member, and a recent high school graduate. The group determined that City Hall must be the leader in the effort to improve civility within the community. So Melrose City Hall began implementing measures endorsed by the new committee.

For starters, Guerriero installed a Welcome Desk in the lobby of City Hall, staffed by a "greeter" who answers questions and directs people to the correct office. The mayor also required all staffers to answer the phone by identifying themselves and their department, to ensure that citizens don't get bogged down while trying to conduct their business with city officials. He designed a televised open house at City Hall as a way to introduce the public to his staff and other public officials, such as the



WINSI OW MARTIN

"Greeter" Murray Lisker directs people and answers questions from the Welcome Desk at Melrose City Hall.

Board of Aldermen and the School Committee. And he required all staff members to take part in training to understand sexual harassment.

These days, when you are put on hold at Melrose City Hall, a mellifluous female voice intones over classical music, "Thank you for calling. Your call and your business are very important to us. So please hold the line and we'll be right back with you." Guerriero laughs when asked if this is a result of the civility initiative. "It's part of it," he says.

Once City Hall had demonstrated a good-faith effort on the civility issue, the Responding With Respect Committee broadened its effort to include the com-

munity at large. This was tricky, Guerriero admits. As a conservative, he does not believe in legislating personal behavior, and he had concerns that citizens would wonder, "Why is the mayor trying to tell us how to ride a bus or how to act in a restaurant?" Yet many of these messages were aimed at children, and Guerriero says he was comfortable visiting the Melrose Middle School, for example, and talking about civility in a nuts-and-bolts kind of way. "It's so very basic," he says. "When you have a senior citizen standing on a bus, you're supposed to get up and give them your seat."

*Continued on page 43*

*Betsy Johnson is a free-lance writer.*





# The ABCs of Y2K

By JOHN OUELLETTE

**Q:** What is the so-called Y2K problem?

**A:** Y2K is short for "Year 2000," or the turn of the century, when the first two digits of the year will change from 19 to 20. Due to common past practices, many computers and software applications are not able to adapt to this change.

Here's how the problem arose: To save memory and keystrokes, many computers and programs were designed to use two digits rather than four for the year portion of a date; the century was assumed to be 19. Programs and systems that have not been fixed will be unable to correctly identify dates beyond 1999; many will interpret the two-digit "00" as 1900 rather than 2000.

**Q:** How widespread is the problem?

**A:** Very. The problem affects both hardware (e.g., the internal clocks in computers themselves) and software. Our society has become dependent on the exchange of information through computers, particularly for financial transactions and communications. When one system fails, there is a ripple effect on other systems. In addition, microprocessors are "embedded" in a wide

range of devices that control processes and functions in machines (from appliances to cars to giant production machines), ventilation systems, elevators, and fire and security alarm systems used in government, business, utilities, industry and homes.

The primary areas of concern, according to the President's Council on Y2K Conversion, are utilities and the national power grid, international banking and finance, health care, transportation, telecommunications, pension and mutual funds, emergency planning, and general business.

**Q:** Who's affected?

**A:** Any company, government agency, organization, institution or individual that uses computers to

accomplish a task is affected directly. Any system or program, including desktop software, could be affected if two digits are used for year representation.

**Q:** What will happen?

**A:** Until January 1, 2000, no one can be certain. Experts believe there may be localized disruptions, such as a temporary loss of electrical power in some areas. Manufacturing and production industries may be disrupted. Roads may be closed or gridlocked if traffic signals are disrupted. Some electronic credit card transactions may not be processed, and some telephone systems may not work. Many experts predict that the problem, where it does arise, is more likely to be a persistent one over a few years rather than a single "crash." Most recommend that the public prepare as they would for a winter storm.

The good news is that governments, financial institutions, businesses and industry have been working hard to resolve the problem, and a great deal of progress has been made.

**Q:** Why are dates so important?

**A:** Dates are an essential part of countless transactions and calculations. Often they are used as triggers to initiate a process. Computer dating systems calculate eligibility for benefits such as Social Security, pensions, Medicare, driver's licenses, voter registration and school grades. They calculate payroll, interest, due dates, expiration dates, account delinquency, bonuses and commissions. They are used to control

## What Is the Problem and What Does It Mean?

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*John Ouellette is the MMA's publications editor.*

manufacturing processes and maintenance schedules. They are essential in the military and navigation tracking.

**Q: Why not just fix the dates?**

**A:** Time and resources are major considerations. It's estimated that there are two billion lines of computer code that need to be analyzed and corrected. Every reference to a date has to be changed, in every program and file in use, archived and stored. Even harder to find and replace are the programs embedded on billions of microchips. Complicating things further is the fact that experts don't agree on what form the ultimate solution should take; there is no international standard.

**Q: Why wasn't the problem fixed earlier?**

**A:** In part because there are always more urgent projects to spend time and money on than checking and correcting computer code—especially while things are working just fine. A lack of consumer awareness of the Y2K problem or demand for products that addressed it enabled the

highly competitive information technology industry to continue to rush products out the door without fixing the problem. Meanwhile, today's leaner corporations and organizations often lack the manpower needed to address the issue.

**Q: What's being done now?**

**A:** A thorough approach to solving the Y2K problem takes most organizations about three years: a year to assess systems, a year to fix them, and a year to test them. Since most organizations didn't begin addressing the problem soon enough, they are working on a triage basis, focusing on fixing the most critical systems first.

**Q: Are there other troublesome dates?**

**A:** Yes. For example, in software, 9/9/99 was sometimes used to indicate the end of a file or as a date to indicate "never." This means that some files that were never meant to be deleted may disappear on September 9, 1999.

There also is some concern regarding

fiscal year 2000 dates that start earlier than December 31. For example, the fiscal year for state and local government begins July 1; at the federal level, it's October 1.

In addition, not all computer programmers were aware of the complicated formula used to calculate leap years when they were creating programs. 1900 was not a leap year, but the year 2000 is. The leap year problem will not become evident until February 29, 2000.

**Q: What should we do?**

**A:** System managers and users need to update applications and data fields that do not handle dates beyond 1999. A basic plan for doing so should include the following elements:

- ▶ Promote an awareness and understanding of the problem.
- ▶ Assess or estimate the size of the problem for the organization.
- ▶ Plan and make the changes needed to make the organization Y2K compliant.
- ▶ Validate and test the changes to

## Y2K Checklist for Local Officials

- Become informed about the Y2K issue. Solicit information from municipal staff, Web sites, publications and community organizations.
- Make addressing the Y2K problem a top priority for your city or town.
- Adopt a citywide or townwide Y2K policy.
- Appoint a Y2K project coordinator to head the community's efforts. It may also be worthwhile to establish a Y2K committee or team to assist in the efforts.
- Appoint a Y2K spokesperson for your community so that all official information comes from one reliable source. (This spokesperson may be yourself, the Y2K coordinator or a member of the Y2K team.) Prepare a communications plan to address the public's most pressing fears.
- Conduct a self-assessment to determine where and how the Y2K problem could affect municipal government.
- Prioritize Y2K efforts to make best use of the time remaining before January 1, 2000. Focus on critical systems, that is, systems whose loss would disrupt essential operations.
- Develop a Y2K compliance plan. Establish deadlines for testing systems and making systems compliant.
- Budget a contingency to address Y2K problems.
- Have municipal counsel research legal ramifications of the Y2K problem for your community.
- Contact vendors/service providers to determine whether they will be compliant by January 1, 2000 (e.g., phone systems, utilities, banks, payroll processors, security systems, ambulance).
- Provide a central Y2K information resource for the community, using such methods as newsletters, direct mailings and Web sites.
- Make sure all municipal staff, the media, residents, and businesses understand the basics of the Y2K problem and are kept informed about local government efforts.
- Encourage residents and businesses to take responsibility for their individual Y2K problems.
- Formulate a community-wide Y2K emergency management plan to continue operations in cases where compliance is not possible by January 1, 2000, or Y2K efforts fail. Ensure that all municipal staff understand their roles in the plan's implementation.



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ensure they work in the organization's operating environment.

- ▶ Implement Y2K-compliant procedures and systems.

**Q:** How can I gauge my organization's readiness?

**A:** Ask these questions of your information systems organization:

- ▶ Are you aware of the Year 2000 issue?
- ▶ Are you actively addressing the issue with established plans, milestones and timelines?
- ▶ What degree of compliance do you expect to reach by January 1, 2000?
- ▶ What contingency plans are in place?
- ▶ Are you actively engaged with your providers of vital data to assess and address their compliance? ■

### Where Can I Get Assistance?

- Massachusetts Year 2000 Home Page:  
[www.state.ma.us/y2k](http://www.state.ma.us/y2k)
- Y2K: Meeting the Challenge, available from Massachusetts Information Technology Division: (617) 973-0725, or online ([www.state.ma.us/y2k/y2kvol3/cover.html](http://www.state.ma.us/y2k/y2kvol3/cover.html))
- Massachusetts Year 2000 Outreach Program: David Davies, (617) 626-2383 or [david.davies@state.ma.us](mailto:david.davies@state.ma.us)
- President's Council on Y2K Conversion: ([www.y2k.gov](http://www.y2k.gov))
- Federal Government's Gateway for Year 2000 Information Directories:  
([www.itpolicy.gsa.gov/mks/yr2000/y2khome.htm](http://www.itpolicy.gsa.gov/mks/yr2000/y2khome.htm))
- U.S. General Accounting Office: Year 2000 Computing Crisis: Business Continuity and Contingency Planning ([www.gao.gov/special.pubs/](http://www.gao.gov/special.pubs/))
- Federal Department of Health and Human Services Y2K information help desk: (888) HHS-Y2K1
- Public Technology Inc.: (800) 852-4934 ([www.pti.org](http://www.pti.org))

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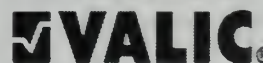
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# Helping Smaller Communities Prepare

BY DAVID L. DAVIES

**S**ince January, the Department of Revenue's Division of Local Services has been providing hands-on assistance to a number of the state's smaller communities to help them address Y2K compliance. In many of these cases, DLS staff have

assumed the role of information technology staff for Y2K purposes.

## Y2K Outreach Program Provides First-Hand Look at Local Readiness

They conduct comprehensive inventories of systems, devices and services. They assess potential Y2K vulnerabilities on the basis of those inventories, identify issues, and make appropriate recommendations. They also conduct vendor management activities and draft contingency plans appropriate to each jurisdiction's needs.

These activities have given the division a first-hand look at the degree of awareness and readiness at the small-community level.

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*David L. Davies is director of information technology for the Department of Revenue's Division of Local Services.*

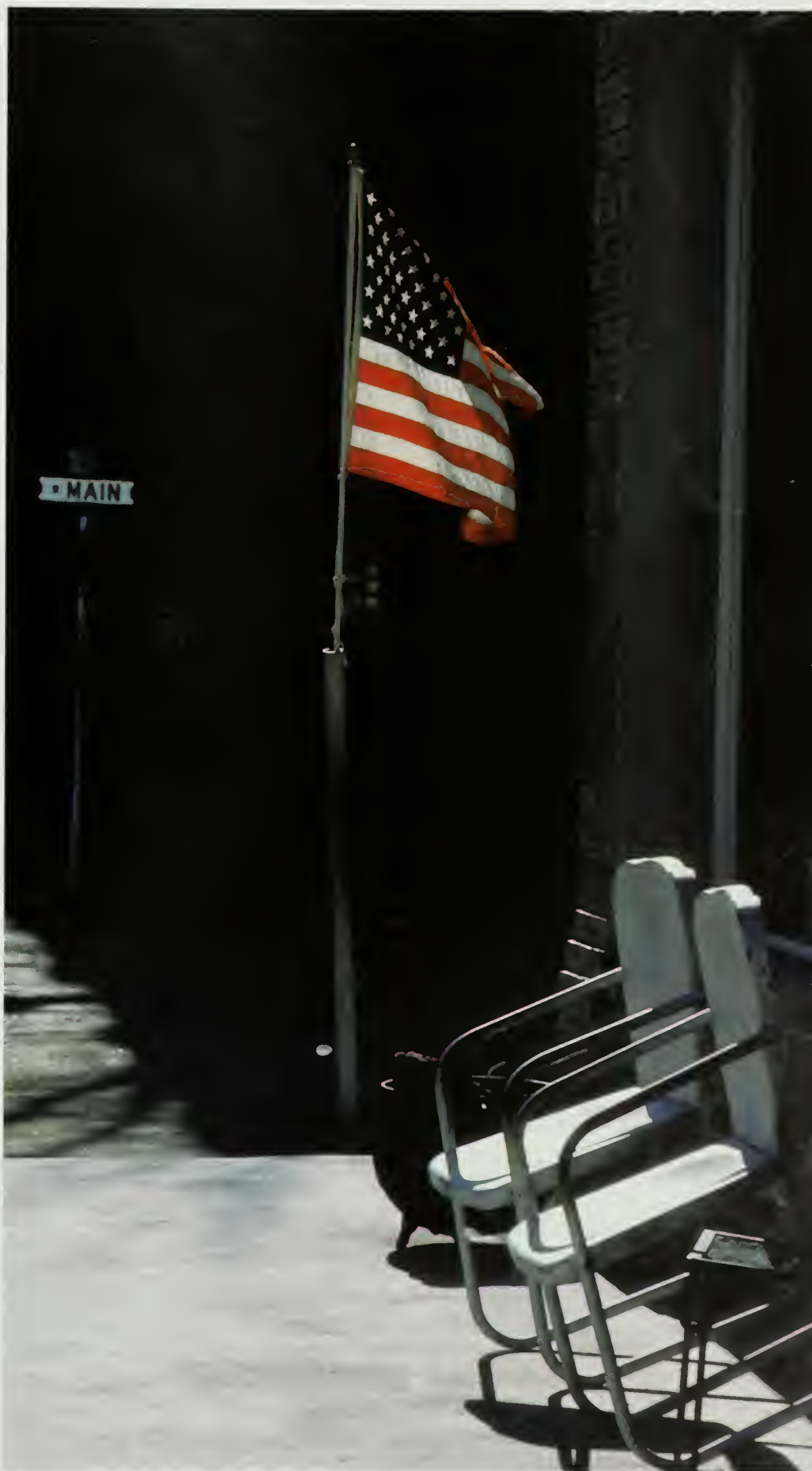
The following statements summarize their Y2K status:

- Local officials are familiar with Y2K as an issue, but the degree of awareness varies greatly. Many assume it is strictly a computer issue, and some limit that scope further to financial applications running on older systems. The need to expand inventories to include embedded chip devices in important process controllers in municipal utility systems, or to communications devices in public safety departments, or to life-saving equipment in EMT vans, sometimes comes as a surprise to local officials. It can be assumed that some of the most serious Y2K problems will be completely unexpected, so there is a need for a comprehensive inventory to help reduce the number of surprises.
- Many local officials tend to be satisfied with general verbal or written compliance statements from vendors. Many communities are awaiting promised upgrades or new versions, versions that may require data conversion, with scheduled start dates well into 1999.
- Few small communities have formalized what to say about local preparedness to concerned citizens and the media. Out-

reach by the Massachusetts Emergency Management Agency in the last month has raised awareness of the need for local contingency planning. Despite protective federal legislation, some local officials are concerned about disclosing Y2K issues out of concern for community and personal liability.

- Many noncompliant systems and devices have been identified. In many cases, these involve stand-alone personal computers used for simple word processing. In others, they involve clients and servers, operating systems, and application software that run all of the municipality's mission-critical financial applications. In many cases, affected departments were already aware of potential problems. In some of these cases, department heads felt they needed outside support to get replacement or other remediation recognized as a budgetary priority. Some department heads plan to continue with noncompliant products "until it becomes a problem" without formally communicating such intentions to the board of selectmen, who must consider potential liability.
- Many of the potential Y2K problems of most concern to local residents involve state or regional agencies as well as private companies. Local officials typically require assistance to be "in the loop" of information on, for example, 911, water districts, regional school districts, private utilities (electricity and gas), cable companies, and hospitals, particularly as the compliance of these entities affects local plans or informal assumptions.

JAY S. SIMON/TONY STONE IMAGES





## Local Outreach Programs

Due to the independent nature of local government in Massachusetts, towns here face a bigger challenge than local governments elsewhere when it comes to addressing the Y2K issue. In other states, local government functions are usually conducted at the county or large-city level, ensuring the presence of trained and experienced technical and managerial staff to deal with Year 2000 compliance problems or the resources to hire appropriate consultants. Home Rule traditions in Massachusetts mean that 351 cities and towns, hundreds of school districts, hundreds of housing authorities, and many other utility and public safety districts individually are dealing with Year 2000 compliance. The smallest entities typically have no technical staff and rely on part-time management. The result is that some have yet to seriously confront this issue.

With this scenario in mind, the Massachusetts Information Technology Division and DLS teamed up to aim an aggressive local outreach program at all types of local government organizations, a program consisting of information, publications and workshops. Education and information may not suffice for some smaller towns, however, so DLS is providing on-site analysis and planning assistance to communities that lack technical staff. Assistance includes:

- Inventories of hardware, software, embedded devices and key suppliers
- Assessment of non-compliant systems
- Initiation of vendor management programs
- Recommendation of remediation/replacement strategies
- Development of community-specific risk management programs as appropriate
- Development of community-specific contingency plans

Communities must request assistance under terms of engagement that clearly state the community or district itself will be ultimately responsible for the accuracy and completeness of data collected and appropriateness of solutions recommended. Communities receive priority scheduling based on population, with the smallest receiving assistance first. Communities

with more than 5,000 residents are assisted under limited terms as resources permit.

Through March 31, 119 communities had been invited to receive DLS assistance, based on population. Of these, seventy-two towns formally requested direct assistance, and ten more were considering the terms of engagement. DLS has conducted inventories in approximately eighty percent of these communities.

In April, DLS conducted a pilot project to test assumptions for extending direct assistance to the 150 towns with populations between 5,000 and 20,000. Such an expansion of the program should be fully under way in May, with the intent to inventory and assess these municipalities before the end of the fiscal year on June 30, or within thirty days of application. Because these towns have more complex systems than those with populations under 5,000, a pre-audit package is being rapidly developed to distribute to towns beforehand, so information is already collected and all department heads can be ready when DLS staff arrive on site.

Most communities with populations exceeding 20,000 have technical staff currently working on the Y2K problem.

## Web Resources

All Massachusetts communities can contribute to and benefit from the Division of Local Services' Web-based clearinghouse for local Y2K information. The Web site will track the Y2K compliance of communities, school districts, housing authorities, other districts, regional entities, etc. Status and plans will be accessible by the public, by community and in spreadsheet-like tables for comparative purposes. The database-driven application is almost complete and data compiled over the last two months is ready for loading. The department will start up the clearinghouse the first week in May, loading and revising data in the following weeks. A bulletin will be sent to all communities with the site's Internet address as soon as a deployment date is certain.

Public reporting of community status and plans should encourage greater compliance efforts overall. The community-specific pages can emphasize areas for

local authorship, with an area for messages by, for example, the board of selectmen, and links to the town's adopted plans. Cities and towns that maintain their own Internet sites can easily link into the municipality's Year 2000 compliance page. Voluntary vendor and supplier certifications will also be linked in, serving to show compliance as well as providing a procurement resource for communities seeking solutions. The site will not state opinions from the DOR or other state agencies on compliance of any product or service, but will instead link the user to the actual letter(s) or other sources representing same.

The DLS hopes that as the Web clearinghouse builds momentum in the quantity and accuracy of information, officials from all cities and towns will find it in their own interest to contribute additional relevant information that will be posted daily.

Local officials have raised the concern that issues presented on the community status page of the Web site may be inaccurate or otherwise unacceptable to boards of selectmen, city councils, mayors, city and town managers, and relevant department heads. DLS is working on an efficient process that will allow local review of proposed Y2K issues while still permitting timely disclosure of information.

DLS will organize workshops on topics complementary to the compliance phases and decisions faced by non-technical local officials. Public relations/disclosure/liability issues or contingency planning, for example, could be topics that relate to recommendations being proposed by state analysts and also focus local officials on Y2K deadlines.

DLS produces publications that will logically complement workshop topics, but will also include general information for local officials, taxpayers, suppliers and vendors to local government, as well as the business community. A publication that mimics the best information from the Web site clearinghouse in a hard-copy format will be prepared and distributed to city and town clerks and libraries. ■

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*This article represents the opinions and conclusions of its author and not necessarily those of the Department of Revenue.*

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## **Let's grow together.**



Y2K

# Year 2000 Contingency

By Val Asbedian

**W**ith time running out, it's clear that countless organizations—including some local governments—will not be completely Y2K-compliant in time for January 1. The question is, what should they do in the time that remains? By conducting a thorough process of evaluating essential functions and identifying continuity and contingency plans for each, local governments can minimize the risk of interruptions in services that are critical to citizens. The premise here is that Y2K is not solely an information technology or technical issue. Rather, it is a challenge requiring the dedicated attention of managers and executives in local governments statewide.

This article outlines a comprehensive strategic Y2K management program for communities. The process involves four components: risk management, business continuity planning, contingency planning, and outreach. (See box, page 24.)

## Risk Management

Left unattended, risks can often lead to failure and create a need for costly crisis management. It is important to proactively monitor risks and perform risk management on a regular basis. A risk management program for Y2K will establish a risk mitigation mindset on the part of the Y2K project team and can promote a "can do" attitude for what is a daunting task.

The risk management process involves:

- Establishing a risk management team
- Developing a risk list
- Assessing the risk and its costs
- Determining risk mitigation options
- Implementing risk mitigation activities
- Tracking progress
- Repeating the process

There are several effective tools available to help organizations evaluate and prioritize their various risks. Two such tools are available from the state's Y2K Web site.

*continued on page 24*

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*Val Asbedian is the Y2K program manager at the Division of Information Technology and a selectman in Bedford.*



A Strategic Y2K Management  
Program Can Help Communities  
Minimize Service Disruptions

# Planning



## Y2K Strategic Management Components

- ◆ Risk Management: Identification, assessment and mitigation of Year 2000 risks
- ◆ Business Continuity Planning: Strategic planning to ensure that primary, mission-critical functions will continue without significant interruption
- ◆ Contingency Planning: Integration of the risk management and the business continuity planning processes, resulting in a contingency plan for core business processes
- ◆ Outreach: Sharing Y2K knowledge with local businesses, industries and other municipalities with the mission of timely achievement of Y2K compliance

### Business Continuity Planning

The objective of business continuity planning is to identify the core business processes performed by local government and assure that they will continue without significant interruption into and throughout the Year 2000. Y2K preparation efforts have generally involved information technology professionals, who are responsible for inventory and assessment of hardware and software systems and the remediation and deployment of Year 2000 compliant systems. The business continuity effort, however, must be assigned to senior business managers, not to staff members who are responsible for ensuring systems compliance.

The business continuity planning process safeguards an organization's ability to produce a minimum acceptable level of outputs and services in the event of failures of internal or external mission-critical systems and services. It also links risk management and mitigation efforts to the entity's Year 2000 program and helps to identify alternate resources and processes needed to operate core business functions. While it does not offer a long-term solution to Year 2000-induced failures, it will help to prepare for a potential crisis and may facilitate the restoration of normal service at the earliest possible time in the most cost-effective manner. Contingency planning (discussed below) is employed to define

alternate activities for specific core processes.

The following are the steps for establishing a business continuity plan:

#### 1. Begin the planning process.

1. Assemble a team, the size of which will vary depending on the entity's size and complexity of operations. Ideally, the team should include key personnel from executive management, major business units, legal, finance, procurement, operations, engineering, and information technology as well as Year 2000 project manager(s). The most critical aspect of this phase is to identify a business continuity planning manager, who will be responsible for developing and implementing business continuity plans. This person should be a senior/executive level manager with the ability to identify and assess critical functions for the entire organization. The manager must have the authority to assign business continuity planning activities to department/business unit heads. He or she must be capable of leading a team in assessing risk from all functional perspectives, including processes that are not computer-dependent or are downstream of the critical business partners.

Suggested task descriptions are as follows:

##### *Organization Head*

- Appoint a business continuity planning manager.

- Review plans for efficiency and thoroughness.
- Be responsive to recommendations regarding business partners who are susceptible to Year 2000 failures.
- Approve alternate actions and contingency plans where required.
- Resolve any related budget and staffing issues promptly.
- Ensure that all future contracts and service agreements specify Year 2000-compliant vendors and that the state's standard Year 2000 Compliance Clause is included in all solicitations and contracts.
- Ensure that all critical business partners have conducted an assessment of their Year 2000 readiness in a timely manner.
- Ensure that appropriate records are being kept and clearly documented

##### *Business Continuity Planning Manager*

- Organize and manage the business continuity planning team.
- Discuss how critical business partners (suppliers/customers) are to each process.
- Respond to inquiries from the organization head.
- Inventory all mission-critical business processes. This inventory should include, or be linked to, the status of any contingency actions taken for each process.
- Evaluate the written responses from business partners regarding their assessment of Year 2000 readiness. Assess and log their plans and track their progress (especially for mission-critical partners).
- Develop contingency plans and participate in business continuity meetings to resolve issues in a proactive manner.
- Regularly brief the organization head, and report status of the business continuity plan to ensure that all issues are raised and resolved expeditiously.
- Conduct regularly scheduled progress review meetings with business continu-



ity planning team members to ensure timely coordination and resolution of issues.

- Maintain records on each critical process. These records document the organization's due diligence to minimize risk of future process failure and associated potential service delivery interruptions. Records are also important for continual audit of the readiness of each organizational unit.
- Validate/approve contingency plans.
- Develop and maintain a master schedule for all business continuity planning activities, including resources, milestones and cost estimates.

#### *Business Unit Managers, Legal Counsel, Finance Representatives, Year 2000 Project Coordinators*

- Identify critical vendors, processes, services and transactions.
- Identify related input and output processes and assign risk to each.
- Assess risk to operations.
- Identify alternatives (if required).
- Prepare contingency plans (if required).
- Report progress and issues to business continuity plan manager.
- Attend and support weekly meetings.

## **2. Conduct risk assessment for primary business functions.**

Some local government services are critical because they affect the health, safety, livelihood, or constitutional rights of citizens or the essential operations of government. In addition, each organization may perform hundreds of different services for the public, but only a small percentage of those services may be necessary under emergency circumstances. Each organization should identify those functions and services that are primary to the organization. To better understand the functions, it will help to create a flow chart that includes all inputs, business processes and outputs for easier reference.

Minimum acceptable service levels

for each primary function should be established. For example, the Department of Revenue may identify the receipt and processing of tax forms as a primary business function. The agency accepts tax forms by telephone, on paper and directly by computer. The department may determine that the minimum acceptable service level is to retain the ability to receive and process paper forms. The business continuity planning for this function will first focus on providing the continued ability to process those forms in the absence of the ability to process the telephone and computer transactions. Subsequent business continuity planning could focus on the other two means to receive and process forms.

Each organization must determine the possible failure points for each business function, including inputs, internal processes and systems, and outputs. This activity will include the following tasks:

- Identify the dependence on critical resources for each service (e.g., information technology systems, embedded devices, external service providers, suppliers, key personnel, and specific facilities). Also consider potential additional Year 2000 hazards to each service (e.g., power surges/outages and disruptions to transportation and communications infrastructure).
- Identify all reasonable failure scenarios that may impact

the delivery of the service (e.g., computer system failures and network failures).

The business continuity planning team must review all dependencies and failure scenarios for a particular business function to identify the most probable scenarios and the likelihood that the business function will be affected. The team should assess the cost and resource impact, if any, of maintaining minimum service levels. For example, in order to maintain the ability to process paper tax forms, the Department of Revenue may require a significant staff pool trained in manual procedures for processing forms.

Brainstorming sessions may aid the business continuity planning team in identifying contingency options. These options should be listed for each risk item

### **Key Questions for Effective Y2K Planning**

- ◆ Does my community have a funded Y2K project with management accountability and effective oversight?
- ◆ Have specific business priorities been established?
- ◆ Has the Y2K impact been assessed for the organization, its customers and its suppliers?
- ◆ Is there a clear set of detailed milestones for achieving Y2K compliance across all systems?
- ◆ Have resources been obtained to support the Y2K plan?
- ◆ Is there a detailed Y2K compliance-tracking program and a business-level individual assigned to coordinate all Y2K activities?
- ◆ Are all of the departments and responsible managers supporting the Y2K program?
- ◆ Has accountability been established?
- ◆ Will, at the least, core systems be tested?
- ◆ Have backup plans been established and tested for all of the organization's activities?

— Val Asbedian



## A Y2K Contingency Planning Checklist

### Risk Management

- ✓ Establish a risk management team
- ✓ Identify and assess risks and potential costs
- ✓ Identify and implement mitigation activities

### Business Continuity Planning

- ✓ Assemble a team and identify a planning manager
- ✓ Identify primary business functions and determine minimum acceptable service levels for each
- ✓ Identify the possible failure points for each primary business function
- ✓ Identify and document contingency procedures
- ✓ Publish, practice and reassess procedures

### Contingency Planning

- ✓ Identify and document contingency plans and their uses
- ✓ Define and document triggers for activating contingency plans
- ✓ Establish a business resumption team for each core business process
- ✓ Develop and document a "zero day" strategy and procedures

### Outreach

- ✓ Share Y2K knowledge with local businesses, industries and other municipalities

op the continuity plans for core business functions performed by their business unit. Each business unit manager should examine all contingency options identified by the team, and reasonable contingency plans should be developed and documented. "Reasonable" means that the unit must be able to exercise the contingency option and its benefits must outweigh the cost. For example, if the contingency plan called for the use of generators to provide electricity for a certain function, the plan is not reasonable if the organization does not possess or intend to acquire and operate a generator.

The contingency plans should be documented as concisely as possible. Personnel seldom read a long plan. The plan's purpose is to identify problem scenarios and procedures for resolving the problem and to produce a document that can and will be easily referenced during an emergency.

The business continuity planning team should review all contingency plans. In addition to identifying the scenarios and contingency options, the plans should also address the following:

- Chain of command: Who to contact, how to contact them, and who makes what decision during a situation.
- Triggers: When will the contingency option be used? What events or circumstances require that the plan be put into action?
- Resources and staffing: Are there any new staffing and cost considerations?

- Facilities: Where the work will be done?
- Training: Will employees need training to perform this contingency plan?
- Contracts: Must additional or modified contracts be prepared to exercise this option?

The organization head must approve all plans and authorize the necessary funding, staffing and preparedness effort.

**4. Publish, practice and reassess procedures.** Once the team has reviewed the draft contingency procedures, it may want to publish them for employees to review. By encouraging employees to contribute to the process, the organization will gather new ideas and contingency options to assess, and employees will essentially educate themselves about different areas of the business. Once the plans have been finalized, they should be published and made readily available to all employees. Any training associated with the plans should be developed, scheduled and administered to affected employees. Any other necessary preparedness activities should be planned and initiated.

At this point the plan should be practiced to ensure that employees will be prepared to use it in an effective manner. While it may not be possible for an organization to fully implement a contingency plan as an exercise, different business units could perform paper exercises. Chain-of-command and decision-making exercises can be performed. Without practice, it is not possible to operate a contingency plan effectively and efficiently, and it will not be used.

After the plan has been published, the business continuity planning team should continue to meet periodically to review changing circumstances, outstanding issues and new risk information. It should also revise contingency options accordingly as January 1 gets closer. For example, as more information becomes available regarding the readiness of critical suppliers, alternative sources may need to be

and should be fully evaluated as the contingency plans are created or revised.

At this time the team may also want to evaluate existing business continuity and disaster recovery plans for completeness. The team should identify, and present to the Year 2000 project manager, contingency options that include an estimation of resources, a development schedule, and recommendations for additional preparedness activities.

**3. Identify contingency procedures.** Business unit managers should devel-

implemented. New information regarding the likelihood of events or their impact and better contingency options will become available that will affect the quality of an agency's business continuity plan.

## Contingency Planning

Contingency planning supports the business continuity planning process. The output of this effort is a set of contingency plans, with a single plan for each core business process and infrastructure component. Each plan should provide a description of the resources, staff roles, procedures and timetables needed for its implementation. A key element of successful contingency planning is to select contingency options that are practical, cost-effective and appropriate to the organization. In addition, each individual option should provide a high level of confidence in recovery capability.

Three important factors in the selection process are:

- **Functionality:** The degree to which the replacement supports the production of a minimum acceptable level of output for a given core business process
- **Deployment schedule:** The time needed to acquire, test and implement
- **Cost:** Life cycle cost, including acquisition, testing, training and maintenance

The goal is to maximize the functionality and speed of business resumption at a cost commensurate with the benefits.

The following are the steps in the Contingency Planning process:

### 1. Identify and document contingency plans and their uses.

Develop a contingency plan including strategies capable of meeting minimum acceptable output requirements for each core business process. Consider the following strategies:

- Quick fix
- Partial replacement
- Full redundancy or replacement
- Outsourcing to another government entity or the private sector

Some core business processes may be fully supported by compliant off-the-shelf application packages that can be rapidly installed, although even projects that rely on off-the-shelf replacements may fall behind schedule. A semi-automated alternative can implement "bare bones" functionality, using a combination of compliant off-the-shelf applications, such as accounting software or standard database products. A manual alternative normally requires hiring and training of additional staff. While this is not a desirable solution, in some instances it may be used to replace all or part of a failed automated process. Finally, redundant business services may be provided through outsourcing contracts.

### 2. Define and document triggers for activating contingency plans.

Once the business continuity planning team selects the best contingency alternative for each core business process, it must then define the trigger dates for the implementation of each plan. Triggers are derived from three key sources:

- The deployment schedule for each contingency plan
- The implementation schedule for the renovated or replaced mission-critical systems
- The first date when the mission-critical system is expected to experience a Year 2000 date-related problem (the "event horizon")

The deployment schedule establishes the date at which the contingency plan must be implemented if it is to be fully tested. For example, if the contingency plan calls for a six-month deployment schedule, and the system's event horizon is December 31, 1999, the implementation date should be set for June 30, 1999. Trigger dates must allow for sufficient lead time to implement the contingency plan.

### 3. Establish a business resumption team for each core business process.

Work with core business process owners to establish business

resumption teams and business resumption priorities. These teams are responsible for managing the implementation of contingency plans and would deal with a wide range of operational problems, including the potential failures of systems thought to be renovated and tested, and the potential failures of external systems and data exchanges.

### 4. Develop and document "zero day" strategy and procedures.

Develop a risk-reduction strategy and procedures for the period between Thursday, December 30, 1999, and Monday, January 3, 2000. This strategy may include an organization-wide shutdown of all of its information systems on Friday, December 31, 1999, and a phased power-up on Saturday, January 1, 2000. The entity may consider extending the shutdown to infrastructure systems, including local area networks, elevators, and building management systems. ■

## For More Information

The Massachusetts Year 2000 Home Page

([www.state.ma.us/y2k/](http://www.state.ma.us/y2k/)) contains an abundance of additional information on the topics covered in this article. Included in the state's Y2K library is the Information Technology Division white paper *Managing Year 2000 Risks*, the division's book *Meeting the Challenge*, and the GIGA Information Group study *Resolving Year 2000 Issues: Best Practices in Contingency Planning*.

The U.S. General Accounting Office book *Year 2000 Computing Crisis: Business Continuity and Contingency Planning* is available on the office's Web site ([www.gao.gov/special.pubs/](http://www.gao.gov/special.pubs/)).



# Getting the

BY KEN CARTY



SOME RESIDENTS IN YOUR COMMUNITY are planning for the worst. They're hoarding food supplies, emptying bank accounts, and even purchasing handguns. Others are dismissing the so-called Year 2000 computer bug as nothing more than a nuisance, like a pothole on a freshly paved road. For them, it's business as usual. Instead of worrying about Y2K, they're planning a grand New Year's Eve celebration.

Between these polarized groups stand local officials, who, experts agree, must devise an effective public outreach strategy to provide accurate information about the potential impacts of Y2K—both generally and within city or town hall. Failure to tackle the issue now could result in a host of problems later.

# Message Out

Consider the public safety implications of the panic and chaos that could arise if residents and businesses are unprepared for potential Y2K effects such as power outages, disrupted food supplies, or a loss of telephone service. With a little more than six months remaining in the 1990s, these and other concerns must be addressed. As Utah Senator Robert Bennett, chair of the Senate's Special Committee on the Year 2000 Problem, declared: "Don't panic, but don't spend too much time sleeping either."

Experts are divided over the consequences of Y2K computer problems, saying the impact could range from something as simple as misdated reports to a complete shutdown of vital systems. A recent study by the President's Council on the Year 2000 Conversion states that the average person comes into contact with at least fifty date-sensitive chips before getting to work in the morning. The chips are in everything from personal computers, cellular phones and gas meters to traffic lights, alarm systems and gas pumps. Whether they will work after midnight of December 31, 1999, is unclear. In a best-case scenario, perhaps we'll be only minimally inconvenienced. The possibility also exists, however, that computer shutdowns could paralyze communities, leaving individuals without heat, electricity or phone service.

"If anyone tells you they know what's going to happen right at midnight, they're lying, because no one really knows," says Richard Walsh, Newton's director of

management information systems. "We need to understand that it's OK not to know, but at the very least we need to be prepared. The fortunate thing for us in this part of the world is that we're fourteen hours behind the date line. Once midnight hits in New Zealand, we'll begin to understand the ramifications of Y2K and hopefully we will have taken the necessary steps to avoid any major problems."

Because of its potential widespread impact, Y2K is not just a technical prob-

## Local Officials Face the Challenge of Getting Accurate Y2K Information to the Public

lem involving information systems specialists; it's a community-wide concern. Municipal leaders are being advised to help residents and businesses to be prepared for a world that could look different on the morning of January 1, 2000.

Some Massachusetts residents have already contacted their city and town halls expressing fears about power supplies, food and water availability, emergency services and other basic necessities. While most communities are addressing Y2K within city or town hall, observers say that most local officials are overlooking the public relations component of this issue. The challenge facing municipal officials is calming the doom-sayers while prodding the naysayers via a comprehensive community-wide action plan.

### 'We Won't Let You Down'

Despite the best efforts of information systems professionals, who have been feverishly working to address the technical end of the Y2K bug, there is not sufficient time, personnel or resources to assess, repair and replace every one of the billions of date-sensitive computer chips by January 1, 2000. A recent *Boston Globe* survey finds that private institutions have made considerable progress in dealing with the Y2K issue, but municipal governments are lagging. Local officials have cited two major roadblocks in their attempts to make communities Y2K compliant. First, few municipalities have allocated enough money to tackle the issue, and second, perennially tight bud-

gets have caused local governments to keep older equipment in service longer—and older equipment is more susceptible to Y2K problems. Despite these hurdles, federal, state and local officials are making strides in their Y2K preparation. Most have formed a Y2K risk management team, created a project plan, and upgraded equipment where possible.

Now many municipal officials are turning to dealing with a public that is often either apathetic or ill-informed about Y2K. Many residents who are aware of Y2K have only a cursory understanding, which tends to increase public anxiety and fear, according to Kathleen McCarthy, management information systems manager in Framingham. It becomes government's job, she says, to reach out to the public with an emphatic: "We're

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*Ken Carty is the MMA's communications associate.*



## Using the Web to Reach the Public

Many cities and towns are creating Y2K-specific pages on their Web sites to inform the public and keep them abreast of local government's Y2K efforts. Public Technology Inc. has identified the following criteria for local governments to consider when addressing Y2K on their home pages:

- Provide an overview of the Y2K issue and its impact on the community (not just government).
- Include a statement or acknowledgment from top elected officials, such as a letter from the mayor explaining how the city is approaching the Y2K problem.
- Provide regular updates on what local government is doing to respond to the Y2K problem. This should include any Y2K strategic planning information, press releases or other information. Presentations or handouts that the local government has prepared for community meetings or groups are also useful resources.
- Include an actual contingency plan, or articles and press releases about the plan.
- Provide contact information (including e-mail addresses) to the appropriate local government staff to allow for interaction between citizens and government officials.
- Provide a link to the state government Y2K page, which provides a valuable resource to citizens, businesses and community groups.
- Provide a checklist to help citizens prepare for any disruptions. The checklist may contain reminders, such as keeping canned food and bottled water on hand in case of problems with power or water utilities, but should be presented in a way that does not instill fear or panic.
- Include a disclaimer. The "Year 2000 Information and Readiness Disclosure Act" is designed to encourage good-faith information-sharing on Y2K readiness efforts without fear that doing so could become the basis for future litigation. A sample disclaimer for a municipal Web site might read: "The (city/town/county of \_\_\_\_ ) provides information on this Web site on how the (city/town/county) is addressing the Year 2000 computer problem. These Year 2000 statements are designated under the Year 2000 Readiness and Disclosure Act of 1998 (Public Law 105-271). This Web site may also provide links to Year 2000 information on Web sites created by other organizations. The (city/town/county of \_\_\_\_ ) is not the source of this information and has not verified the content of this information."

*Public Technology Inc. is a nonprofit technology organization of the National League of Cities, the National Association of Counties, and the International City/County Management Association.*

working on the problem and we won't let you down."

"Y2K has yet to appear on the radar screen for many people, which means that we'll need to work even harder to inform residents," McCarthy says. "When I do receive a call on the subject, I realize that the public, for the most part, is all over the spectrum when talking about Y2K. So much of what they see and hear comes from television, which hasn't painted the most accurate picture.... Getting the word out is our local responsibility and we need to do that sooner rather than later."

Municipal officials do have one major advantage when it comes to planning: they know when to expect this "disaster." And as with any disaster, preparedness means the difference between riding out the storm and falling victim to it. That is the message that many municipal officials are embracing and explaining to residents.

In Newton, for example, officials expect the problem to be no worse than a large snowstorm or blizzard, but they will be prepared for much worse, according to Walsh. "Our contingency plans are in place, and we expect to be presenting our plan to the public starting this summer and continuing into the fall," Walsh says. "Timing will be key. We don't want to wait too long to educate the public, but we don't want to get the word out too early so people forget."

### Getting the Word Out

Media consultants recommend that local officials reach out to the press and general public to provide the information they need to understand and address the Y2K issue.

Ways to get the message out include:

- Press conferences;
- Press releases;
- Notices inserted with gas, water or tax bills;
- Submissions to op-ed pages in local publications;
- A city or town newsletter;
- Special town meetings;
- A Y2K Web site; and
- A Y2K Awareness Day/Week.

In communicating with the press, experts recommend that municipalities use one spokesperson and two backups to keep the message clear and concise. Availability is an important consideration when choosing spokespeople, since they must be easily accessible. All city and town employees should also be kept up-to-date on a community's Y2K plan in case residents contact them seeking information.

State officials in Minnesota, for example, aggressively worked with local media outlets to increase public awareness of Y2K. An *ad hoc* committee consisting of representatives from key statewide organizations was created to work with the media to increase awareness of the work being done by government to address the problem.

Communicating directly with residents is an important component of a community's Y2K awareness efforts. The Massachusetts Emergency Management Agency suggests a public relations campaign to explain the Y2K problem, its expected impact on city or town services, and what local officials are doing to solve the problem. The plan should also explain the issues that could affect residents individually, and what steps they should take to minimize risks. Officials

should consider contacting residents via direct mailings, newsletters, open houses, and special town meetings.

Federal officials suggest that special attention be paid to high-risk residents, including children, the elderly, the disabled and non-English-speaking residents. Also included in this group are people with medical conditions, such as heart conditions, diabetes, epilepsy, dialysis-dependence and others. Local officials are advised to help quell the fears and anxieties of high-risk residents, many of whom need a caregiver to perform

daily medical tasks. Efforts should be made to inform these people of the community's action plan and how they will be able to access local assistance if needed. Experts also recommend that municipalities enlist the support of churches and community groups to help get the word out.

The city of Portland, Oregon, recently created an ambitious plan to organize its 200,000 households into small, self-sufficient neighborhood units or clusters. To get the project off the ground, city officials approved a comprehensive outreach campaign that includes hiring a full-time public information officer, creating a telephone-and-Internet referral network, developing a city-sponsored Web site, and providing direct mailing and outreach materials for residents.

Many experts believe that local officials also need to work with the business community to make sure that local businesses will be able to stay up and running. Small businesses appear vulnerable to some Y2K issues because of a lack of resources, according to a recent Wells Fargo survey. For that reason, it's imperative that municipal governments make sure their small businesses will be able to provide services to customers on the morning of January 1, 2000. ■



## MEMA Offers Help to Communities

The Massachusetts Emergency Management Agency has scheduled visits to each of the state's 351 communities to help local officials with communications and planning. The goal of the visits is to enhance community emergency measurement preparedness, to provide public reassurance regarding Y2K remediation and community preparedness, and to promote the concept of "disaster-resistant family" preparation (individual self-sufficiency).

MEMA emphasizes that the key to a city or town's preparedness is its Comprehensive Emergency Management Plan, which details how to respond to any

type of emergency. The CEMP should be the foundation on which to build a Y2K contingency plan. MEMA officials recommended that local officials ask and answer "what if" questions that are specific to their community. What if the phones are out for a couple of days? What if stores are closed? What if the traffic lights don't work?

Once these questions have been answered internally, an action plan can be readied. Then the next major step can begin—informing the community that a plan has been drawn up ensuring the availability of government assistance.



**Y2K**

# DTE Takes Aggressive



# Approach *to* Keep the Lights On

## An Update on the Y2K Readiness of Utilities

BY JANET GAIL BESSER

Utilities are an essential part of our infrastructure and are necessary to our everyday life. Thus, the Department of Telecommunications and Energy has placed the Y2K issue among its highest priorities. We have aggressively monitored utilities' Y2K activities to ensure reliable, uninterrupted service to consumers. Our primary goal is to ensure that the lights stay on in Massachusetts.

The department assembled a team of experienced DTE staff members in early 1998 to ensure a thorough evaluation of utili-

ties' Y2K policies. In the spring of 1998, the department issued a Y2K questionnaire to all electric, gas, water, telecommunications, and cable companies. All major utility companies responded to the questionnaire within a month. These major companies provide utility services to more than ninety percent of Massachusetts' consumers.

Although the progress reports from these companies were positive, we believe it is critical to continue receiving assurances and information from the industry. Accordingly, a follow-up directive was issued in September 1998 requiring utilities to submit Y2K status reports on a quarterly basis. The directive also established technical workshops allowing the DTE's Y2K team members to meet with the companies' top Y2K technical staff. We believe that more can be gained from an open forum about Y2K issues than from a formal legal proceeding. These technical workshops have continued, and the exchange of ideas and solutions benefits all participants.

Additionally, the DTE issued a directive earlier this year requiring each major utility company to submit the following:

- A letter from its chief executive officer regarding the status and date of Y2K readiness;
- Bill inserts/newsletters to customers regarding the company's Y2K activities;
- Information regarding Y2K audits that were performed by third-party entities; and
- The company's Y2K contingency plans.

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*Janet Gail Besser is chair of the Massachusetts Department of Telecommunications and Energy.*





Janet Gail Besser

The major utility companies began Y2K activities in 1995. All have completed or nearly completed the inventory, assessment, and testing phases of their information technology systems. Each utility has completed inventory and assessment phases with regard to components with "embedded chips." Only the last phase of Y2K readiness activities, the testing and remediation phase, remains.

There are a few important issues to consider in the inventory, assessment, testing, and remediation of components with embedded chips.

First, the actual number of "date sensitive" components is relatively small, and nearly all of these components have been supplied by well-known equipment man-

ufacturers. Second, the number of components considered "non-compliant" is a very small percentage of the number that are considered "date sensitive." Third, there are only a few devices that are considered "non-compliant" (i.e., many of the non-compliant devices are of the same make and model within an industry group). As a result, the required Y2K activities do not appear to be unmanageable, nor has upgrading or replacing these components caused any company to fall behind on its Y2K compliance goals.

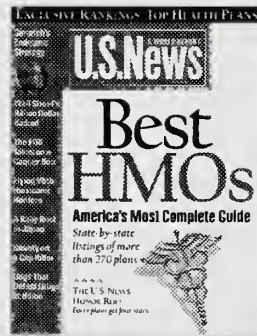
Although these Y2K tasks are manageable, the companies have expended substantial sums of money to ensure Y2K readiness. Bell Atlantic has incurred \$300 million in Y2K-related expenditures and expects to incur an additional \$200 million by 2000. AT&T plans to spend approximately \$700 million. The Massachusetts electric and

*Continued on page 46*

### The Y2K Status of Utilities

Where do the utilities stand with regard to Y2K readiness? Here's a brief overview:

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# Legal Implications of Y2K for the Public Sector

BY RAY CAMPBELL

**W**hen addressing Y2K compliance and planning, government organizations face a range of legal issues that differ greatly from those encountered by their private sector counterparts. While the private sector's approach is profit-driven, governments are focused on ensuring that there will not be an interruption in services to the public—and anticipating the effects of any such potential breaks. In addition, government agencies face a different level of liability than the private sector. So public entities must take a different approach when addressing potential Y2K legal issues.

This article highlights some of the key differences between government and the private sector and notes some of the key legal issues to consider. It does not, however, take into account the individual differences among various cities and towns. There is no replacement for the involvement of your municipal counsel in Y2K activities and the assessment of legal implications for your community.

## Government Vs. Private Sector

The following are some of the most important differences between the Y2K-related legal challenges faced by public sector organizations as compared to private firms.

### Broader 'Exposure'

The most important distinction is the different ways organizations will define Y2K "success." Private firms will achieve their objectives if they prevent Y2K failures

from significantly affecting their profits. Public managers, on the other hand, have to answer to a constituency with a broader range of concerns. In addition to any financial implications, public managers must consider how Y2K failures could affect all citizens, who are consumers of a wide variety of government services and benefits. Public managers also have to consider the "civic" impact of Y2K failures. Many citizens, even if they are not directly affected, are likely to be outraged by Y2K failures that affect other citizens' health, safety and welfare. Thus, in a real sense, public managers and their organizations have much greater Y2K "exposure" than do their private sector counterparts.

### Tort Liability

This broader range of concerns is partially offset by the fact that government entities are less exposed to tort liability than are their private sector counterparts. The Massachusetts Tort Claims Act contains certain defenses and limitations not available to private organizations. The most direct limitation in the MTCA is the \$100,000 per plaintiff cap on liability. While this is a valuable protection, it loses some meaning in the context of Y2K failures that could affect large numbers of citizens, because every thousand plaintiffs means a theoretical liability limit of \$100 million.

The MTCA may limit, or even prevent, plaintiffs from recovering damages from the government in other ways, however. For example, the MTCA excludes liability for losses that result from the performance of a "discretionary function." It is possible that the many complex decisions involved in assessing and planning for Y2K compliance would be held to be discretionary functions. On the other hand, it is also possible that courts would find that

achieving Y2K compliance was a clearly articulated policy and that any failure to do so constitutes a failure to follow an established policy.

Finally, Massachusetts, like most jurisdictions, does not allow tort claims for purely economic losses. The so-called economic loss rule requires that a tort plaintiff have suffered personal injury or property damage in order to maintain an action. While it is certainly conceivable that particular Y2K failures could cause such losses, the majority of failures will almost certainly result in disruptions that cause economic losses only. In these cases, plaintiffs will not be able to recover by means of a tort claim.

### Regulatory Authority

Governments also differ from private firms in that they exercise various forms of regulatory authority over a vast number of non-governmental organizations, such as banks, insurance companies, utilities, hospitals, and the like. While it is unlikely that an agency could be held liable for losses caused by a regulated business's Y2K failure, certainly there could be significant political fallout if lax oversight contributed to the failure. Thus, agencies that regulate or accredit private organizations need to ensure that Y2K compliance is part of their checklist of issues to be addressed in the regulatory process.

### Governments Are Not Litigious

While municipal and state agencies may file suits against vendors, there are institutional limitations that make such litigation difficult and therefore relatively rare. For

*Ray Campbell is the general counsel of the Information Technology Division, where he works with the state's Y2K Program Management Office on the legal aspects of Y2K.*

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one thing, monetary damages won in a lawsuit are usually received by the state or municipality's general fund, rather than by the agency that was harmed by a vendor's failure. In addition, litigation usually requires a substantial expenditure of human and administrative resources. As a result, it is unlikely that agencies will engage in significant amounts of Y2K plaintiff litigation.

### Contracts With 'Customers'

One distinct advantage enjoyed by governments with regard to Y2K is that they usually do not enter into contracts with the users of their services. For example, police departments do not contract with local residents to provide crime prevention services, and welfare departments do not have contracts with food stamp recipients. Thus, governments are usually not bound to their "customers" by a contract that could form the basis for a breach-of-contract claim in the event of Y2K failures.

While public entities are parties to many contracts, the vast majority of these are supply contracts with vendors, where the government's only contractual obligation is to make payment for goods delivered and services rendered. Accordingly, suits against agencies for Y2K-related breach of contract are likely to be rare. This is particularly important in light of the fact that Massachusetts does not allow tort suits based on purely economic losses. As a result, people that suffer financial losses due to governmental Y2K failures could find themselves unable to present either a contract or a tort basis for recovery.

### Minimizing Legal Liabilities

The following is some general guidance on how to approach Y2K in order to minimize future legal liabilities.

**1. Be reasonable.** The most important advice for any public sector lawyer or senior manager is to constantly evaluate decisions and actions against a standard of reasonableness. Not only is this likely to prevent Y2K problems from occur-

ring, but it is also the standard against which your actions will be judged should you find yourself the subject of a lawsuit or press inquiry if failures occur. Constantly ask whether the decisions you make are consistent with the best practices in your particular field. Consciously think about how your actions would appear to an independent third party.

**2. Regard Y2K as a management challenge.** The essential truth is that Y2K is first and foremost a management challenge, not a technical one. Successfully meeting the Y2K challenge requires much more than merely remediating an organization's internal information technology environment. Government agency management must also identify critical suppliers and distributors that it relies on to provide its services and evaluate their reliability in light of expected Y2K disruptions. Agencies need to develop business continuity and contingency plans, a range of activities that is well beyond the scope of a CIO's authority.

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## LAW

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### 3. Inventory your organization's important functions and the vendors and systems that support these functions.

Senior managers, with the assistance of legal counsel, should prepare an inventory of every function their organization performs that would have a significant impact on customers or any other people or organizations if it failed. Next, identify the external vendors and internal systems and processes that are necessary to support these functions. Do not make the common mistake of focusing heavily or exclusively on hardware and software vendors; Y2K problems that affect any critical vendor

can cause major problems that should be anticipated and planned for. For example, a prison or public hospital would have a major problem on its hands if it is unable to serve meals due to a Y2K problem at its food service vendor (a critical supplier). The goal in compiling the inventory of important functions—and the vendors and systems that support them—is to identify every possible point of failure, not just those of a technological nature.

This inventory enables managers and lawyers to identify and prioritize the functions their organization performs and the vendors and systems that support those functions. Much Y2K legal advice is written as if every function, every vendor and

every contract is of equal importance and can be given the same amount of attention. The reality for most agencies is that Y2K is, at least in part, a triage operation. A detailed inventory of functions, vendors, and systems gives managers and lawyers the tool they need to focus their time and attention on those issues that are most deserving.

### 4. Locate and review contracts.

Informed by the inventory of important functions, vendors and systems, lawyers should locate and review the contracts and other operative documents that relate to the obligations owed to and by their agency. There is a wealth of material

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## LAW

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available regarding the provisions that should be assessed, including force majeure clauses, express warranties, implied warranties, damages, and remedy provisions.

It would be ideal to obtain binding representations and warranties regarding Y2K compliance from suppliers of critical inputs and distributors of critical services. Unfortunately, there is usually no legal basis for demanding such assurances. Therefore, it is likely that the best that an agency can hope for is an accurate and detailed statement from such vendors of their Y2K status. Counsel should assist in preparing letters to critical suppliers/distributors asking them to disclose the status of their Y2K preparations. Counsel may well suggest that the request letter explicitly state that the agency is only seeking status information and affirmatively waives any legal recourse for any false statements unless made willfully or recklessly. Such request letter should be a clear statement that the agency is relying on that particular vendor to be Y2K compliant, and that it is

imperative that the agency be notified if the vendor anticipates any difficulties in this regard.

**5. Document policies.** Given that the most important protection against Y2K legal liabilities is the ability to show that your organization acted reasonably in light of all the circumstances, it is essential that lawyers and managers institute rigorous document creation and retention practices. Bear in mind that you may be called on to demonstrate to a third party (a jury, the press, or your superiors) that you exercised proper care and reasonable judgment in preparing for Y2K. Only by creating and maintaining an adequate record of your actions, and the information those actions are based upon, can you defend your organization.

A comprehensive listing of every type of document that should be governed by a documentation policy would be quite lengthy. There are numerous samples and templates available. The composition of such a list for any given organization will be shaped by the functions that organization performs and the relationships it depends on to provide its services. The key

criterion for establishing such a list, and its associated rules, is the anticipated relevance of the documents in establishing the reasonableness of your Y2K preparations. Obvious candidates for coverage in a documentation policy include contracts, licenses, RFRs and RFR responses, technical documentation for hardware and software, marketing and promotional materials received from important vendors, any correspondence with critical suppliers and distributors, agency Y2K remediation plans, Y2K remediation budgets (planned as well as actual), Y2K assessment documents, Y2K testing procedures and results, and documents related to Y2K contingency plans.

**6. Review communications.** Carefully review any communications made by your agency regarding Y2K status. It is vital that counsel prepare guidance for all employees that communicate with outside entities, expressing the importance of legal review of all such correspondence. Counsel should prepare standard disclosure

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## LAW

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statements in order to ensure that the agency is consistent in the statements it makes about Y2K status. Counsel should also prepare standard disclaimer language for all such communications. This disclosure language should be included on the agency's Web site if it is used to communicate any Y2K status information.

**7. Include a lawyer on your Y2K team.** Many agencies overlook the need to include a lawyer on their Y2K project team. The lawyer should assist the team in understanding the potential legal consequences of the team's actions and decisions. Lawyers should be careful, however, not to try to turn a technical remediation project into a litigation preparation exercise. To a certain extent, there is a tension between actions that are necessary to

prevent Y2K problems and actions that will preserve the maximum legal advantage should problems occur. Striking the right balance will require careful thought and the input of agency senior managers. While small organizations might not be able to have a lawyer as a full-time member of their Y2K team, they should at least schedule regular briefings for a lawyer that can help them assess the legal implications of their actions. ■

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*Continued from page 7*

perspectives, frameworks, case studies and operating principles from local officials. Cooper also presents a design approach to administrative ethics, emphasizing the connection between decision making and actual practice within an organization.

Cost of the book is \$27.95 plus shipping. To order, contact Jossey-Bass Publishers, 350 Sansome St., San Francisco, CA 94104, or call (415) 433-1740

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### Young Motorists

**M**ore than 6,000 young people die every year in automobile accidents. According to experts, many young motorists lack the driving experience needed to react safely to dangerous traffic situations and also tend to take more risks. A new book from the National Conference of State Legislatures examines ways to help teenagers stay safe on the road. It discusses specific state

laws and looks at their effectiveness. *Teens and Traffic* looks at such issues as driver education programs, aggressive driving, and driving while under the influence of alcohol.

Cost of the sixty-page book is \$25. To order, contact the NCSL, 1560 Broadway, Suite 700, Denver, CO 80202, or call (303) 830-2054.

### Planning and Zoning

**N**ew planning and zoning board of appeals members can get a head start on their responsibilities with a new ninety-minute audio tape from the Citizen Planner Training Collaborative at the University of Massachusetts at Amherst.

*Roles and Responsibilities of Planning and Appeals Boards: An Introduction to the Rules and Tools for New Board Members* explains the ins and outs for new planning and zoning board of appeals members. Cost is \$12. To order, contact Gisela Walker, UMass/CRM/CPTC, 406 Goodell, University of Massachusetts at Amherst, Amherst, MA 01003-3240; (413) 577-3642. ●



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## AROUND THE STATE

*Continued from page 13*

The Responding With Respect Committee planned a week-long series of events. These included a pulpit exchange, when members of the local clergy preached from one another's pulpits; a formal luncheon at the middle school, for which most students dressed up—and said they enjoyed the opportunity; and a manners seminar in the elementary schools, featuring skits performed by the children. The events raised the consciousness of the city regarding how individuals interact with one another. Guerriero was a strong presence during this week, attending many of the events and even participating in some public forums. He says he plans to make Civility Week an annual event, and the committee is already planning events for the fall.

The mayor admits that it's hard to judge just how effective the initiative has been. But he does note that donations last year to a local holiday season charity tripled at a time when charitable donations nationwide shrank by fifteen to twenty percent. The civility initiative "has caused us to think about how we deal with each

other at public meetings, how we drive down Main Street," he says. Geraldine Heavey, president of the Melrose Board of Aldermen, believes the civility initiative has affirmed for Melrose residents that they live in a nice city with good values. "It has given them an appreciation of their life in Melrose," she says. For her part, she says she has tried to ensure that her leadership is reflective of the spirit of civility in town. "I've tried to make the board a more cordial, cohesive place to do the work of the city," she says.

Despite his hands-on approach, Guerriero says he hoped the initiative would gain momentum of its own, which it has. The national and international reaction to what seemed like a simple plea for politeness was astounding.

"Once the Associated Press picked up the story, we were just shocked," Guerriero says. "We spent literally a month fielding calls from mayors all across the country who were asking, 'What did you do? How did it get started?'" There were interviews with the local and regional media as well as the BBC and CNN's Bernard Shaw. The attention made the citizens of Melrose a little nervous about their new identity, the mayor says—especially the British newspaper's head-

line about Melrose being the "politest town in America." "People saw that here and thought, 'Oh my God, now we've got to live up to this thing,'" he says. "And you know, it costs nothing. If nothing else comes out of this but that some ten-year-old gives up his seat on the bus for my grandmother, that's pretty good."

### City Takes Over Industrial Complex

**W**hen the city of Pittsfield lost a General Electric manufacturing plant seven years ago, it was left with significantly fewer local jobs, less tax revenue and, as a parting gift, an industrial complex with significant contamination issues. For its part, GE was the recipient of the kind of national press coverage any company would rather do without.

While the situation in Pittsfield is now being resolved satisfactorily, Fitchburg Mayor Mary Whitney was determined to avoid a similar situation when GE decided more than a year ago that it could no longer sustain the steam turbine plant it had run in the city for more than half a century. Rather than permit the buildings and grounds to collapse under the weight of benign neglect while the company

*Continued on page 44*

## Lawrence Rule Extends Decorum

**I**n Lawrence, the City Council is attempting to promote civility with a new rule that requires citizens to "observe a certain decorum" and to refrain from using the public comment period to try to sway public opinion on issues that are likely to be appear as ballot questions. First-term Councillor Mark Laplante, who proposed the rule, says he was concerned about the tone and language sometimes used by citizens during council meetings, as well as by what he saw as a misuse of the newly authorized public participation period at the beginning of each meeting, such as when a resident looked into the television camera and urged a recall of the mayor.

"In our current rules the council can't comment on any comment [directed to us]," Laplante says. "We have to observe a certain decorum. What I thought would be useful would be to extend that decorum to the entire meeting. It doesn't limit people from talking about whatever they want to talk about and it doesn't mean people can't be critical.... We all have a common goal and that is to improve our city. We certainly have differences of opinion, but there are ways to [express those] without trashing each other."

Specifically, members of the audience may not make personal or threatening remarks about council members, according to the language of the rule. In fact, the rule indicates that the public should address the council as a body, not individual councilors. In addition, the rule bans any behavior or remarks that are considered disruptive to the meeting.

The council rule does not spell out specific consequences for violations, Laplante says. By its very nature, the rule must be upheld by subjective judgment, and it will be up to the presiding officer of the council to determine if the rule has been violated and whether to respond with a simple reminder to the violator of the rule, a warning, or ejection from the meeting.

The resolution passed the council, 6-3, and was to be implemented in early April. Even before the rule had been implemented, however, Laplante says he saw signs that people took its purpose seriously. Council meetings already seemed less fraught with tension and divisiveness. Participants voice their concerns more thoughtfully and with less rancor. That, he says, can only be a harbinger of good things to come.

*—Betsy Johnson*



## AROUND THE STATE

*Continued from page 43*

determined what to do with them. Whitney initiated negotiations to acquire the property. While city officials are open to a variety of scenarios for redevelopment—ideally a mixed use of office and manufacturing space—their hope is to attract a major manufacturer and to replace as many jobs as possible.

As a result of negotiations with the city—and in an apparent attempt to

avoid the type of publicity associated with the Pittsfield pull-out—GE agreed to clean up the site in accordance with state and federal environmental regulations—to the tune of \$8 million—and to sign the property over to the city's Industrial Development Commission at no charge once it has been cleaned up. In addition, GE agreed to pay off a \$245,000 mortgage for a parking garage the city constructed for the plant's 660 employees. The company has already paid off the mortgage and has begun the cleanup, which is expected to be com-

pleted by the end of this year. "I think it's a first," Whitney says of the agreement with GE. Michael Lanava, the city's Industrial Commission director, adds, "If we're successful here, that may give them the inspiration to do it somewhere else."

Whitney stresses that jobs were the city's primary concern when news broke about GE's plans. But what would become of the fourteen-acre complex and its 400,000-square-foot plant was also a major concern. "GE could have fenced it and let it sit there," says Lanava. "It could have been a major eyesore." Given the site's location, smack in the middle of town, bounded on one side by railroad tracks and the Nashua River and on the other by City Hall, there was understandable concern about the impact a vacant property could have had on neighborhood property values, Whitney says. The incentive to take control of the property was enhanced by the fact that it's right outside Whitney's office window. "I have to go by it every day; it's not 50 feet from me," she says with a laugh.

Lanava says the revitalization effort dovetails nicely with the city's work over the past six months on a Strategic Economic Plan, which explores how Fitchburg can sustain and strengthen its economy. He and his staff are preparing to market the GE property as quickly as possible. They are currently soliciting proposals for an architect/consultant to do a reuse study that will help the city determine how best to utilize the facility. The study will examine the potential of bringing in one large manufacturer as well as looking at a multi-faceted use of the buildings by a number of smaller companies. One scenario would have the city become the owner-operator of the plant and lease it out to one or more companies; another would have a corporation purchase the plant for its own use or leasing agreements.

GE plans to undertake some "selective demolition" that will reduce the building size by about twenty-five percent, according to Lanava. But total demolition makes little sense in an area like Fitchburg, he says. "In downtown Boston, in that real estate market, it could be worth it for the lot to be [totally] redeveloped," he says. "For Fitchburg, the value is to retain the buildings and to put as many people back into those buildings as possible." ■

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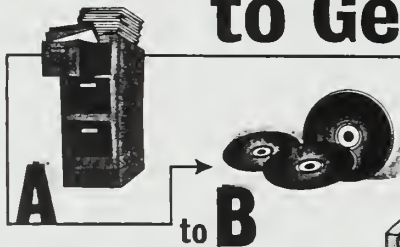
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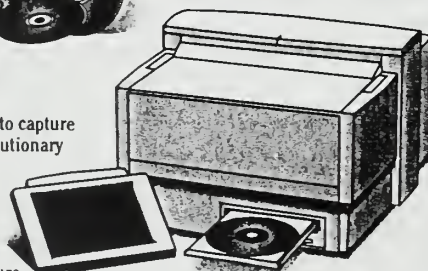
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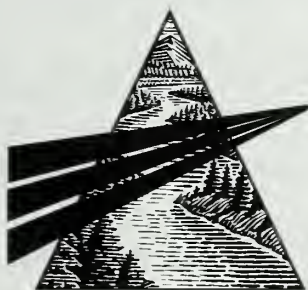
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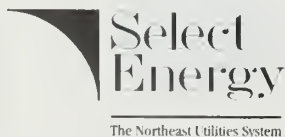


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## Keep the Lights On

*Continued from page 34*

power generation companies plan to spend approximately \$200 million.

Much of the Y2K expenditures are used to perform redundant and/or integrated testing. Despite the fact that many of the equipment suppliers have provided Y2K assurance, the companies have taken a "trust but verify" approach and have performed extensive testing. Nearly all of the companies had completed at least seventy-five percent of their testing and remediation by the first quarter of 1999.

All companies are scheduled to complete testing and remediation, and most

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**The DTE will soon**

**conduct a special**

**Y2K technical**

**workshop for**

**the municipal electric**

**entities to evaluate**

**Y2K efforts.**

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companies are scheduled to be "Y2K-prepared," by June 30, 1999. Further, the utilities have indicated that they do not anticipate any long-term, widespread Y2K-related outages.

### Other DTE Activities

The DTE has also been assessing the Y2K readiness of the utilities' critical interface partners—such as gas supply/production companies, power generation companies, and major water suppliers—despite the fact that the department has no regulatory authority

*Continued on page 47*

## Keep the Lights On

*Continued from page 46*

over these entities. The department has been conducting Y2K technical workshops and discussions with these partners. The fact that the DTE is assessing these partners indicates that Massachusetts has one of the most extensive Y2K monitoring programs in the nation.

Similarly, the DTE will soon conduct a special Y2K technical workshop for the municipal electric entities to evaluate Y2K efforts. Although these entities are not regulated by the DTE, they have agreed to meet with us and believe that such a meeting will be mutually beneficial.

The DTE also is working closely with numerous state and federal agencies, such as the Massachusetts Emergency Management Agency, the Massachusetts Information Technology Division, the Federal Communications Commission, the Federal Energy Regulatory Commission, the U.S. Department of Energy, and the U.S. Nuclear Regulatory Commission.

In response to misinformation provided by some in the media, the DTE has placed great emphasis on distributing accurate information to the public. To this end, the department is:

- Meeting with the public and making "road show" presentations on the Y2K status of utilities;
- Performing extensive training for department staff to answer Y2K questions from consumers;
- Posting Y2K information on the DTE Web site; and
- Requiring companies to issue information about their Y2K activities through bill inserts/newsletters.

Despite assurances from utilities regarding their preparedness for Y2K, the DTE will continue to work hard to monitor the industry's progress by:

- Reviewing the CEO letters and quarterly reports on Y2K status and ensuring that the companies remain "on track";
- Reviewing the Y2K audit information to ensure that the companies have the appropriate "checks and balances" in place;

- Reviewing the Y2K contingency plans of the companies;
- Meeting with the companies to discuss these contingency plans in detail;
- Determining if there are any deficiencies in the contingency plans;
- Ensuring that the plans account for the appropriate interdependencies between the utilities; and
- Continuing frequent dialogue and

monitoring of the utilities and their critical interface partners throughout 1999 and throughout the critical Y2K rollover periods, to make sure the lights stay on in Massachusetts. ■

*This article is adapted from testimony delivered before the House and Senate Committees on Science and Technology on April 8.*

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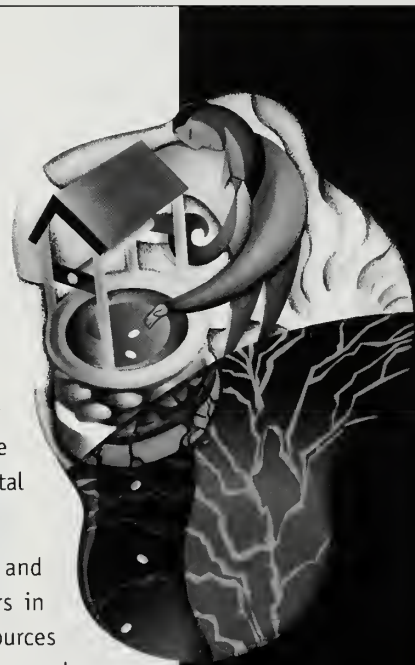
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